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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

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Report of the Advisory Committee on Administrative and Budgetary Questions

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Abbreviations

MONUC	United Nations Organization Mission in the Democratic Republic of the Congo
ONUB	United Nations Operations in Burundi
UNIFIL	United Nations Interim Force in Lebanon
UNLB	United Nations Logistics Base at Brindisi, Italy
UNMEE	United Nations Mission in Ethiopia and Eritrea
UNMIL	United Nations Mission in Liberia
UNMIS	United Nations Mission in the Sudan
UNMIT	United Nations Integrated Mission in Timor-Leste

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions first issued a general report on peacekeeping operations in 1994 in response to a perceived need by the Committee to find a way of dealing with cross-cutting issues that related to more than one mission. Since 1994, the issuance of a general report has become an annual practice, although the intention of the Committee at the time was to issue such a report only when there were pressing cross-cutting issues that needed to be addressed. In preparing its general reports, the Advisory Committee has drawn on its consideration of proposals for individual peacekeeping operations, especially the larger ones, to identify important cross-cutting issues.

2. In 2006, the late submission of documentation by the Secretariat obliged the Advisory Committee to delay its winter session. Unfortunately, the reports of the Secretary-General on a number of the larger missions also came very late in the session. In addition, the Advisory Committee was required to consider a number of non-peacekeeping items during its session. As a result of these and other factors, the Advisory Committee was in a position to issue only an interim general report (A/60/880). Regrettably, those trends have persisted in 2007.

3. **The Committee recalls that, in its resolution 49/233 A, the General Assembly decided on the new financial period for peacekeeping, "aware of the substantial workload for the General Assembly, the Advisory Committee on Administrative and Budgetary Questions and the Secretariat", from the procedures then in place for reviewing peacekeeping budgets. In that spirit, the Advisory Committee's winter session was intended exclusively for the consideration of peacekeeping budgets and related questions. The Committee recognizes that other time-sensitive subjects will, from time to time, require attention during its winter session. However, at a time when the level of peacekeeping activities is at a record level, the Committee is concerned that this type of diversion from the main focus of its winter session appears to have become routine.**

4. In considering the reports of the Secretary-General on the financial performance of peacekeeping operations for the period 2005/06 and on proposed budgets for the period 2007/08, the Advisory Committee considered an advance copy of the report of the Board of Auditors on United Nations peacekeeping operations[1] and of the report of the Secretary-General on the implementation of the Board's recommendations (A/61/811). The Committee's observations regarding the Board's report are reflected in its report (A/61/866). It also took the Board's report into account in its review of the Secretary-General's budget proposals.

5. The Advisory Committee also had before it the overview report of the Secretary-General on budget performance for the period 2004/05 and budgets for 2006/07 (A/60/696) and an advance copy of the overview report on budget performance for the period 2005/06 and budgets for 2007/08 (A/61/786). The Committee does not report separately on the overview report but comments on relevant issues in the Committee's general report. **The Committee encourages the Secretariat to make future overview reports as concise as possible and to focus**

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 5* (A/61/5 (Vol. II)).

on providing relevant and updated information in order to assist the General Assembly in its review of peacekeeping budgets.

6. The Advisory Committee also had before it reports of the Office of Internal Oversight Services on a number of issues relevant to its review of the financing of peacekeeping operations, including reports on the horizontal audit of fuel management in peacekeeping missions (A/61/760), the audit of the management structures of the Department of Peacekeeping Operations (A/61/743) and part two of its report on peacekeeping operations (A/61/264, (Part II)).

7. In its resolution 60/266 on cross-cutting issues, the General Assembly requested the Secretary-General to report on a number of subjects, including:

(a) Training (sect. I, para. 4);

(b) Temporary duty positions (sect. II, para. 5);

(c) Consultants (sect. III, para. 2);

(d) Accountability, fraud, corruption, mismanagement, misconduct and conflict of interest (sect. V, paras. 1-8);

(e) Quick-impact projects (sect. VIII, para. 3);

(f) Regional cooperation (sect. IX, para. 2);

(g) Fuel management (sect. X), including preparation of a fuel management manual, standard operating procedures, the mission electronic fuel accounting system and annual fuel procurement plan;

(h) Costing structure for air operations (sect. XI, para. 2);

(i) Spare parts, including optimal levels of spare parts and the possible establishment of a mechanism for global management of spare parts (sect. XII, paras. 1 and 2);

(j) Better use of technology (sect. XIII);

(k) Disaster recovery (sect. XV);

(l) Strategic deployment stocks (sect. XVI).

8. In his overview report (A/61/786), the Secretary-General addresses a number of these issues, including training, temporary duty positions, quick-impact projects, regional cooperation, fuel management, costing structure for air operations, spare parts and the better use of technology. Other issues are or will be addressed in separate reports. The Committee received an advance version of the comprehensive report of the Secretary-General on strengthening the capacity of the Organization to manage and sustain peace operations (A/61/858 and Add.1 and 2) too late. As a result, the Committee was not able to consider the report properly during its winter session and will therefore consider it early in May 2007.

9. The Committee's consideration of peacekeeping budgets and related reports was also enriched by its field visit to MONUC in February 2007. In addition to having a larger budget than any of the other peacekeeping operations, MONUC is also dealing with a broad range of problems and issues that could have wider relevance. The Committee's visit therefore also gave valuable insights into issues and challenges of broader application to other peacekeeping operations.

II. Documentation

10. **Recognizing the challenges faced in preparing budgetary reports on peacekeeping and the special factors affecting some missions, the Advisory Committee encourages the Secretariat to continue its efforts to improve the quality and timely issuance of peacekeeping documents. The Committee comments further on this issue below.**

11. The late submission of peacekeeping documentation was a serious impediment to the Advisory Committee's work on peacekeeping issues at its winter session. Documentation considered by the Committee included revisions to the budgets for the period 2006/07 of two peacekeeping operations (UNIFIL and UNMIT), the budgets for the period 2007/08 and/or performance reports for 17 operations, as well as related reports. The majority of the reports had to be considered in an advance unedited and untranslated version, as the documentation was submitted to the Committee simultaneously with its submission to the Department for General Assembly and Conference Management for processing. Two weeks before the closure of the Committee's session on 13 April 2007, three reports relating to three peacekeeping operations had yet to be received, even in the advance version. The Committee must have sufficient time to review the documents fully in order to provide high-quality reports to the General Assembly.

12. **With regard to the preparation of performance reports, the Committee recalls that the peacekeeping budget cycle ends on 30 June. It considers that it should therefore be possible for the Secretariat to complete all performance reports by October and publish a printed version in all official languages by 31 December. The Directors of Administration/Chief Administrative Officers and the finance chiefs should be held accountable for the timely submission of budget reports.**

13. **With regard to budget proposals, the Committee considers that missions should submit their draft proposals to Headquarters by 30 November and that these should be reviewed by the Department of Peacekeeping Operations and the Department of Management within 30 to 60 days. On that basis, advance copies of the budget documents, together with the additional supporting information, should be submitted to the Advisory Committee between 1 and 28 February. This contrasts with the current situation, where some proposals are submitted for processing only in late April, for consideration by the Fifth Committee early in May. Designated heads of divisions/services in both the Department of Peacekeeping Operations and the Department of Management should be held accountable for strict adherence to this proposed schedule.**

III. Results-based budgeting

14. **The Advisory Committee recalls its observations and recommendations concerning results-based budgeting for peacekeeping (see A/59/736, paras. 33-40) and notes the efforts to improve the results-based budget presentations. It notes, however, that those efforts have had uneven results. The results-based framework should be clearly linked to the mandate of the mission established by the Security Council and the resources requested. Indicators of achievement should permit measurement of the results achieved. As requested by the**

General Assembly in its resolution 59/296, they should also reflect, where possible, the mission's contribution to the expected accomplishments and objectives, and not those of Member States.

15. **From the earliest stage of programme and budget preparation, the direct and continuous involvement of senior managers is critical. In addition, it could be given greater prominence if the budget and electronic performance appraisal system (e-PAS) cycles were synchronized and results-based objectives and indicators of achievement aligned with e-PAS goals. This should also promote greater accountability.**

16. **As regards the presentation of outputs, the Committee is of the opinion that, although the presentation in the reports of the Secretary-General should continue to provide the necessary evidence that the outputs described are contributing to the stated objectives and the attainment of the expected results, a number of the reports considered by the Committee evidenced a real need for streamlining. In some cases, the text on outputs consisted of a long list presenting a fragmented picture of activities without assessing progress towards the implementation of the mission's expected accomplishments.**

17. **With regard to programmatic presentation, the Committee notes that the requests for resources are often not linked either to outputs or to expected accomplishments and that it is therefore not possible to align financial resources directly with the results-based presentation. As the Committee has stated in the past, this linkage is an essential element of the results-based budgeting concept; without it, the whole exercise risks becoming an empty bureaucratic exercise with little value as a management tool, rather than a meaningful, functioning instrument for strategic planning, and requests for post and non-post resources are often asserted, rather than justified programmatically. An improved capacity to collect cost information would facilitate this linkage.**

IV. Management issues

18. The Committee recalls that the General Assembly, in section IV, paragraph 2 of its resolution 59/296, requested the Secretary-General to monitor the evolution of structures in individual peacekeeping operations to avoid the duplication of functions and an excessive proportion of higher-grade posts, bearing in mind the mandates, complexities and specificities of each mission. **The Committee believes that this issue requires continuing scrutiny. It believes that many proposals are based on a template of what an integrated mission should consist of rather than on analysis of functions, concrete workload and responsibilities. The Committee believes that an examination of the effectiveness of the template in the light of experience would be timely.**

19. **The Committee believes it essential to learn from experience and has therefore supported the best practices function at Headquarters and its extension to the field. Almost every mission now has a Best Practice Officer. The Committee believes that the time has come to evaluate in-house the impact and effectiveness of adding these capacities as distinct posts in the field.**

20. **The Committee is concerned about the absence of evidence of concrete action to respond to the requests of the General Assembly and the Committee to the Secretary-General to ensure the efficiency and effectiveness of management and administrative processes before additional resources are requested. Adding post and non-post resources for inefficient processes is not an acceptable management practice.** In section IV, paragraph 6, of resolution 59/296, the Assembly urged the Secretary-General to review, streamline and simplify procedures and to recommend changes to regulations and rules, as appropriate, in order to support more effective and efficient administrative processes, with a view to achieving economies. The Committee suggested that the Secretariat draw upon the support of the Office of Internal Oversight Services to undertake such work (A/59/736, para. 25). **The Committee reiterates its recommendation.**

21. The Committee notes that the Office of Internal Oversight Services has prepared a comprehensive benchmarking study on organizational integration for the Department of Peacekeeping Operations (A/61/264 (Part II), para. 69). **The Committee recommends that the General Assembly request the Secretary-General to develop a specific strategy and plan for work process improvement, including timelines, the delineation of responsibilities, and methods for assessing progress, and report to the Assembly at the second part of its resumed sixty-second session. It further recommends that the Assembly request the Secretary-General to demonstrate that the management and administrative processes are efficient when seeking increased resources for administrative and support functions.**

V. Financial Management

22. The Committee recalls the General Assembly's request in its resolution 59/296, section III, paragraph 6, for a budget business process review and the report of the Office of Internal Oversight Services (A/60/717, para. 24), in which it described its findings, including a vague definition of responsibilities and accountability at the mission level and at Headquarters and the duplication of efforts by the Finance Management and Support Service of the Department of Peacekeeping Operations and the Peacekeeping Finance Division. The Office also pointed out the mismatch between the organizational structure and cost centres to which funds are allotted, and whose managers were delegated certifying authority for implementing the budget.

23. **The Committee notes that substantial capacity exists in missions and at Headquarters, in the Department of Peacekeeping Operations and the Department of Management, to support the budget function, but is far from persuaded that the sum of the capacity creates value commensurate with its cost. A system in which three actors redo each other's work is not productive. The Committee recommends that the General Assembly request the Secretary-General to include in his next overview report an identification of the resources in the field and at Headquarters devoted to the budget process and of the responsibilities and accountability of each actor in the process. It further recommends that the Assembly request the Secretary-General to streamline and expedite the process, identify more expeditious means of addressing off-cycle budgetary changes, and identify benchmarks to measure the quality and efficiency of the process. In undertaking the above actions, the Secretary-**

General should be mindful of the fact that whatever process is proposed should ensure fiscal prudence and budgetary discipline.

24. The Advisory Committee emphasizes the importance of clear lines of responsibility and accountability, financial as well as programmatic, and requests that this issue be addressed as a priority. **The Committee recommends that the General Assembly request the Secretary-General to reflect related measures in his next overview report.**

25. In its report, the Office of Internal Oversight Services also pointed out that, although funds are allocated to different cost centres, performance reports compare apportionments and expenditure by object codes at the overall level (A/60/717, para. 29). As a result, the performance of individual cost centres is not made available and accountability at that level is lost. The Office was informed that the Organization's financial systems did not support this type of analysis but that efforts were being made to provide more cost accounting in budget performance reports. **The Advisory Committee welcomes those efforts and recommends that the General Assembly request the Secretary-General to report on progress in his next overview report.**

26. The Advisory Committee notes with interest the conduct of a benchmarking analysis aimed at developing planning models for sizing and structuring multidimensional missions (see A/61/786, paras. 124-140). The intention is to provide staffing benchmarks for multidimensional peacekeeping operations. **The Committee looks forward to reviewing that analysis. It cautions against a template approach to staffing. The Committee recognizes that the operational circumstances of each mission would inevitably require specific judgements on structure and staffing. However, it would welcome the development of tools that would help to explain and analyse the requirements for staff, especially for support functions. The analysis should be based on the mandate and should draw not only on past patterns, but also on review of the relationship between staff numbers, concrete workload, and the difficulties foreseen, as well as the possible streamlining and simplification of working procedures. The Committee recommends that the General Assembly request the Secretary-General to report on this work by the resumed sixty-second session.**

27. The Advisory Committee also notes that it had proved necessary to cancel significant amounts of prior-period obligations in several missions. This fact, which was also highlighted by the Board of Auditors in its report (paras. 34-41), points to serious shortcomings in budget planning and administration, which should be rectified. **The Committee renews its call for more accurate forecasting of requirements and for stricter control over obligations.**

VI. Planning and organization of missions

28. **The Advisory Committee emphasizes the importance of the work of the planning phase that precedes deployment of the mission (see also A/60/717, sect. VI). Shortcomings at that stage of the process can have costly consequences. An example of this was the delay in making adequate provision for accommodation for staff in UNMIS, with consequent additional costs.**

29. The Committee notes the experience being accumulated on the planning and operations of integrated missions. **The Committee emphasizes the importance of drawing on lessons learned for the operation of ongoing missions and the planning of future operations. In this connection, it is important that the role of the mission be clearly delineated from those of its partners, both inside and outside the United Nations system, and that modalities for cooperation be established and well understood.**

VII. Military

30. The Advisory Committee notes significant variances from requirements budgeted for military personnel in a number of missions. As this is a major component of costs in most missions, **the Committee recommends that greater efforts be made to use realistic assumptions in the preparation of budget estimates for this item.**

31. The Committee also notes a frequent need to cancel unliquidated obligations raised for this among other items. **The Committee recommends that the amounts obligated for military costs be kept under review to avoid excessive unused obligations.**

32. The Committee further notes that the travel of military personnel on rotation is a major element of costs. It also notes some significant variances due to the costs of rotation, as well as efforts made to economize on these costs, including the possible use of wide-bodied aircraft based at Monrovia and Entebbe for rotation flights, in addition to other needs of the missions. **The Committee encourages the Secretary-General to explore ways of reducing the rotation element of military costs in the future. In order to facilitate its consideration of this question in the future, the Committee requests that data on rotation costs be provided in the context of its review of future performance and budget reports.**

33. The Committee notes that the deployment of a naval force in UNIFIL is an important new development in United Nations peacekeeping activities. **The Committee encourages the Secretary-General to consider the lessons learned from that deployment and to report thereon as appropriate. The forthcoming meeting of the working group on contingent-owned equipment should take up the question of appropriate rates of reimbursement for a number of new items associated with the deployment of a naval force and heavy equipment.**

34. As regards rations contracts, the Committee recalls the provisions of section XXII of General Assembly resolution 59/296 and the related information provided in the overview report issued in 2006 (A/60/696, paras. 67-69). It also notes observations on rations contracts in the report of the Board of Auditors (paras. 295-298). The Committee recalls that adequate provision of good quality rations are very important to the health and welfare of military personnel. **The Committee requests that this matter be borne in mind while concluding the global contract on rations and looks forward to receiving information on this issue in the proposed budgets of peacekeeping operations.**

35. The Advisory Committee recalls that, in its general report in 2005 (A/59/736, para. 50), it requested information on the findings of a working group of the Department of Peacekeeping Operations that had been established to review the

payment of mission subsistence allowance to staff officers in lieu of the provision of accommodation. In his 2006 overview report (A/60/696, para. 114) and his 2007 overview report (A/61/786, para. 94), the Secretary-General reported the working group's recommendation that, while staff officers should continue to have the status of contingent personnel, the allowance should be paid in the mission area in lieu of reimbursement to troop-contributing countries at the standard rates of reimbursement. **As indicated in its earlier report (A/59/736, para. 50), the Advisory Committee is of the opinion that a uniform policy should be adopted on this matter, with exceptions made only in clearly delineated and justified cases. The Committee therefore recommends the acceptance of the working group's recommendation on the status of United Nations staff officers and payment of the mission subsistence allowance to them in lieu of reimbursement to troop-contributing countries.**

VIII. Civilian personnel

36. The Advisory Committee notes with concern the continuing high vacancy rates for international staff in many peacekeeping operations, as they clearly have an impact on the effectiveness of the missions concerned and put additional pressure on the staff on board. Many missions face difficulties in timely recruitment as well as a high turnover rate of staff on board. The Committee notes that a number of missions with very high vacancy rates are nevertheless requesting more posts. **The Committee recommends that they focus on reducing vacancies before requesting increases in their staffing tables.**

37. As regards recruitment problems, a number of factors have been cited, including delays due to administrative procedures, unattractive conditions of service compared to other international employers in the mission area and many missions being designated as non-family duty stations. The latter two factors are also seen as contributing to high turnover rates. In addition, staff members often transfer to new and expanding missions, especially when the mission in which they serve is being drawn down or facing an uncertain future.

38. The Committee was informed that the Secretariat has taken a number of steps to tackle these problems, including enhanced delegation of authority to missions for recruitment and the temporary deployment of experienced officers ("tiger teams") to accelerate recruitment for new missions or those facing particularly high vacancy rates. The Committee also notes that reports are expected from the International Civil Service Commission and the Secretary-General on the entitlements of internationally recruited staff serving in non-family duty stations and, from the Secretary-General, on reform of the field service.

39. **The Committee notes the steps taken by the Secretariat and encourages it to tackle the above-mentioned problems on an ongoing and systematic basis. The Advisory Committee favours enhanced delegation of authority to mission officials with regard to recruitment, and recommends that this delegation be accompanied by appropriate steps to ensure accountability.**

40. The Committee has in the past commented on the issue of temporary duty assignments from one mission to another, which are defined for a maximum of three months, but can be renewed. Such assignments are sometimes necessary, especially during mission start-up. One characteristic of these arrangements is that the sending

mission cannot replace the staff member, and the receiving mission loses the capacity and experience gained. In some cases, in particular for missions of short duration, it could be more effective to allow the Secretary-General to second a staff member for up to a year, thereby allowing the sending mission to fill the vacancy while not disrupting the receiving mission. **The Committee recommends that the General Assembly request the Secretary-General to explore the feasibility of implementing this in a manner that retains the transparency and fairness intended by current procedures, and to provide information to the Assembly at its sixty-second session for its consideration in the context of human resources management.**

41. **The Committee further recommends that the Secretariat enhance the recruitment at all levels of candidates with the appropriate language skills. In this regard, it stresses the need to improve the situation in peacekeeping operations deployed in French-speaking countries.**

42. **In addition, the Committee expects that due attention will be given to maintaining an appropriate balance in selections at the senior management level, and to improving the gender balance at all levels.**

43. The Committee notes that a number of missions are being downsized, in accordance with mandates and changes in operational requirements. **In such cases, the Committee expects that the level of staffing and the related grading structure of posts will be kept under review, especially in the support units.**

44. The Committee also notes that rates applied for United Nations Volunteers in UNMEE changed recently. In order to review the appropriate balance of mission staffing in future, **the Committee requests that information on the cost of supporting Volunteers be provided in the context of the next peacekeeping budget cycle.**

45. **The Committee welcomes the efforts by the Secretariat to increase the level of national staffing in peacekeeping operations because this is cost-effective as well as being one way to build national capacity. The Committee recommends that the General Assembly request the Secretary-General to review the standards for the recruitment of National Professional Officers, so as to ensure that they are locally appropriate and avoid unnecessary barriers, and also explore ways of enhancing professional development for all categories of national staff.**

46. **While the Committee supports the use of national staff, proposals for increases must be fully justified. The Committee notes with concern that many missions have requested an increase in the number of national staff without any corresponding review of international staffing requirements. While some missions have done so, showing related reductions of requirements as efficiency gains, too many have not. When making proposals for an increase of national staff, it is imperative that all missions identify functions that are being taken over by such staff from international staff. This exercise is particularly important in the post-conflict peacebuilding stage.**

47. **The Committee requests that the Secretary-General address the matters outlined above in his next overview report.**

IX. Operational costs

Training

48. **While it recognizes the importance of training to enhance the effectiveness of missions, the Committee considers that further steps should be taken to make training programmes more cost-effective and relevant to the needs of each mission. Travel for training should be reduced by emphasizing training of trainers and fully exploring the possibilities for videoconferencing and e-learning.** The Committee notes, in this context, that the Secretariat agreed with the Board of Auditors (see A/61/5 (Vol. II), paras. 309 and 312, and A/61/811, paras. 82-88) that it implement measures to monitor missions in improving its training needs assessment and evaluate the cost-effectiveness of the current mode of training.

49. **In view of the increasing role of national staff and the need to build national capacities and provide professional development opportunities for national staff, the Committee considers that national staff should be fully included in relevant training programmes.**

Air operations

50. Air operations account for a third of all operational costs, amounting to $600 million in the period 2006/07. The Committee notes continuous efforts to explore possibilities for economies and efficiencies in air operations, such as shifting to surface transportation where practical and economical, efficient scheduling of flights and regional pooling of air assets. In this context, the Committee notes that the procurement process to provide the services of two wide-bodied aircraft, positioned at Monrovia and Entebbe, is ongoing. Upon enquiry, the Committee was informed that this new air capacity is expected to result in substantial savings in troop rotation costs. The Committee notes that missions have been asked to reduce air operations budgets by 10 per cent over the period 2006/07. The Committee notes that the report, requested by the General Assembly in its resolution 60/266, section XI, paragraph 3, has not yet been submitted. The Committee observes that, as described in paragraph 29 of his overview report, the Secretary-General now envisages a comprehensive review of transportation requirements in large missions to be completed by the end of 2007. **The Committee recommends that the General Assembly request the Secretary-General to inform the Assembly at its resumed sixty-second session on the related findings, recommendations and efficiencies gained.**

51. Notwithstanding these efforts, the Committee notes that, with regard to the costing structure for air operations, there have been significant increases in requests for air operations in some missions. **The Committee requests that, in cases of significant increases in expenditure or contractual arrangements for aircraft, complete explanations, including any mitigating actions taken by the mission or by Headquarters, be provided in future budget proposals.**

52. The Committee recalls that, in section XI, paragraph 2, of its resolution 60/266, the General Assembly requested the Secretary-General to report to the Assembly at its sixty-second session, in the context of his overview report, on an analysis of the impact of the new costing structure relating to air operations. **The Committee looks forward to reviewing that report.**

Fuel management

53. In considering the question of fuel management, the Committee had before it a report by the Office of Internal Oversight Services on the horizontal audit of fuel management in peacekeeping operations (A/61/760). The Committee recalls that, in section X of its resolution 60/266, the General Assembly requested the Secretary-General to review all aspects of fuel management, including the preparation of a comprehensive fuel management manual, implementation of the electronic fuel accounting system, development of standard operating procedures on fuel management and preparation of an annual fuel procurement plan. The Secretary-General's response is contained in paragraphs 25 and 26 of his overview report (A/61/786).

54. The Committee notes that petrol, oil and lubricants are a major item of expenditure and are subject to a serious risk of fraud and abuse. Expenditures in the period 2006/07 were $327 million. The Committee notes the steps taken to improve fuel management, including the mission electronic fuel accounting system, a pilot project that was implemented in UNAMSIL and subsequently extended to ONUB, UNMIL, UNIFIL and MONUC. **The Committee observes that the fuel management manual and standard operating procedures requested by the General Assembly were not prepared because requested funding for consultancy services was not approved by the Assembly for the period 2006/07. The Committee does not believe that this is a convincing explanation, because unutilized balances in the support account are available. The Committee recommends that the Secretary-General undertake the required work without further delay. It also notes the intention to review current business models for the provision of fuel. It looks forward to receiving information in the next overview report on the results of these reviews and on measures taken to improve fuel management, including information on the experience with the mission electronic fuel accounting system and Fuelog projects, as well as on plans to introduce alternative systems designed to support global fuel management expected to commence during the period 2008/09.**

Travel

55. **The Advisory Committee notes with concern that expenditure on travel greatly exceeded budgetary provisions in a number of missions. The Committee recommends that travel requirements be properly budgeted and that travel expenditures be kept within approved provisions.**

56. In the performance reports for the period 2005/06 for almost all missions, the Committee noticed a phenomenal increase of spending on in-mission travel. During the current financial period 2006/07, expenditure on this item is also exceeding budgetary assumptions and the projected expenditures for the period 2007/08 have therefore been estimated at a much higher level than in previous years. A major contributing factor in this increase appears to be the practice of paying daily subsistence and mission subsistence allowances for such travel, rather than reimbursing actual lodging costs during in-mission travel. The Committee also notes that the treatment of in-mission travel varied between missions; some reimbursed actual lodging costs, while others paid the allowances. **The Committee recommends that the General Assembly request the Secretary-General to analyse this question with a view to developing a consistent policy that is based on**

conditions on the ground and that is cost-effective and fair to the staff members involved, and to report thereon to the Assembly at its sixty-second session.

Quick-impact projects

57. **The Committee considers that quick-impact projects can be a valuable tool for strengthening the links of missions with the local population.** The Committee recalls that, in its resolution 60/266, the General Assembly requested the Secretary-General to report on a comprehensive policy for quick-impact projects. The Committee also considered in this context the report of the Board of Auditors and the report of the Secretary-General on the implementation of the Board's recommendations (A/61/5 (Vol. II), paras. 372, and A/61/811, paras. 106-107). The Committee notes that the Secretary-General included in his overview report (A/61/786, paras. 18-23) a summary of the policy on quick-impact projects that will define related budgetary requests for peacekeeping operations from 2008 onwards. **It is also important to bear in mind that quick-impact projects should be implemented with minimal or no overhead charges so as to ensure that the maximum amount is spent for the direct benefit of the local people. The Committee recommends that the General Assembly request the Secretary-General to provide a further report and the Committee will review the matter further on the basis of fuller information with regard to the proposed policy.**

Fraud, corruption, mismanagement, misconduct and conflict of interest

58. **The Advisory Committee considers it essential that there be clear lines of authority and that they be accompanied by effective measures to ensure the accountability of those concerned. The Committee also considers it essential to pursue fraud cases in a timely fashion so as to minimize losses to the Organization, especially in the case of missions that are winding down or are being closed.** In that context, the Committee notes a number of cases in UNAMSIL that are unlikely to be pursued effectively following the mission's closure.

Procurement/strategic deployment stocks

59. **The Committee will consider the issue of procurement further in the context of its review of the forthcoming report on the subject. The question of strategic deployment stocks was considered in the context of the Committee's consideration of the performance and budget reports for UNLB and are addressed in its report thereon.**

Public information

60. The Committee noted the important role played by Radio Okapi (jointly managed by MONUC and the Fondation Hirondelle) in the Democratic Republic of the Congo in disseminating accurate information to the population and in promoting an understanding of the role played by MONUC and also noted the potentially important role of radio in other missions.

61. **As regards publications, the Committee emphasizes the importance of ensuring that adequate quantities be printed in the language or languages used in the countries, taking into account the languages used by the mission itself.**

Regional cooperation

62. The Committee recalls that, in section IX, paragraph 2, of its resolution 60/266, the General Assembly requested the Secretary-General to develop and implement regional coordination plans and to report on progress achieved in the context of his next overview report. The corresponding information is provided in the overview report (A/61/786, paras. 24 and 95-102). **The Advisory Committee welcomes these initiatives in regional and inter-mission cooperation, which include activities relating to aviation safety, medical services, air operations, a strategic air operations centre, air medical evacuations and a coastal freighter, and intends to monitor their effectiveness in the context of the budget proposals for the period 2008/09.**

Annex

Reports considered by the Advisory Committee on Administrative and Budgetary Questions

Report of the Board of Auditors to the General Assembly on the accounts of the United Nations peacekeeping operations for the financial period ended 30 June 2006 (A/61/5 (Vol. II)), the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ended 30 June 2006 (A/61/811) and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/61/866)

Reports of the Secretary-General on financial performance for the period from 1 July 2005 to 30 June 2006 and/or on proposed budgets for the period from 1 July 2007 to 30 June 2008 of the peacekeeping operations. The reports of the Advisory Committee concerning the specific peacekeeping operations are presented as addenda to the present report. The list below gives the symbols of the reports of the Secretary-General on financial performance and on the proposed budget (or the disposition of assets, where applicable) and the reports of the Committee, in that order:

United Nations Disengagement Observer Force (A/61/662, A/61/671 and Corr.1 and A/61/852/Add.1)

United Nations Mission of Support in East Timor (A/61/670 and A/61/852/Add.2)

United Nations Mission for the Referendum in Western Sahara (A/61/683, A/61/744 and A/61/852/Add.3)

United Nations Peacekeeping Force in Cyprus (A/61/724, A/61/774 and A/61/852/Add.4)

United Nations Mission in Sierra Leone (A/61/682, A/61/819 and A/61/852/Add.5)

United Nations Operation in Burundi (A/61/716 and Corr.1 and A/61/852/Add.6)

United Nations Mission in Liberia (A/61/715, A/61/783 and A/61/852/Add.7)

United Nations Interim Administration Mission in Kosovo (A/61/675, A/61/776 and A/61/852/Add.8)

United Nations Mission in Ethiopia and Eritrea (A/61/720, A/61/842 and A/61/852/Add.9)

United Nations Observer Mission in Georgia (A/61/700, A/61/764 and Corr.1 and A/61/852/Add.10)

United Nations Organization Mission in the Democratic Republic of the Congo (A/61/672, A/61/767 and Corr.1 and A/61/852/Add.11)

United Nations Operation in Côte d'Ivoire (A/61/673, A/61/773 and A/61/852/Add.12)

United Nations Mission in the Sudan (A/61/689, A/61/745 and A/61/852/Add.13)

United Nations Logistics Base at Brindisi (A/61/679, A/61/752 and A/61/852/Add.14)

United Nations Stabilization Mission in Haiti (A/61/741, A/61/869 and A/61/852/Add.15)

United Nations Interim Force in Lebanon (A/61/870 and A/61/852/Add.16)

United Nations Integrated Mission in Timor-Leste (A/61/871 and A/61/852/Add.17)

Reports of the Secretary-General on or relevant to peacekeeping matters on which the Committee commented separately. The list below gives the symbols of the report(s) of the Secretary-General and the report of the Committee, in that order:

Budget for the United Nations Integration Mission in Timor-Leste for the period from 25 August 2006 to 30 June 2007 (A/61/759 and A/61/802)

Budget for the United Nations Interim Force in Lebanon for the period from 1 July 2006 to 30 June 2007 (A/61/766 and A/61/803)

Financing of the United Nations Operation in Burundi (A/61/771 and A/61/790)

Special measures for protection from sexual exploitation and sexual abuse and comprehensive report prepared pursuant to General Assembly resolution 59/296 on sexual exploitation and sexual abuse, including policy development, implementation and full justification of proposed capacity on personnel conduct issues (A/60/861, A/60/862 and A/61/886)

Liabilities and proposed funding for after-service health insurance benefits (A/61/730 and A/61/791)

Report of the Redesign Panel on the United Nations system of administration of justice (A/61/205, A/61/758 and A/61/815)

United Nations A/61/852/Add.1

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Sixty-first session
Agenda items 132 and 144 (a)

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the period from 1 July 2007 to 30 June 2008 for the United Nations Disengagement Observer Force

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$41,521,400
Expenditure for 2005/06	$40,116,900
Unencumbered balance for 2005/06	$1,404,500
Appropriation for 2006/07	$39,865,200
Preliminary status of expenditures for 2006/07	$31,135,700[a]
Projected unencumbered balance for 2006/07	$391,875[a]
Proposal submitted by the Secretary-General for 2007/08	$39,923,100
Recommendation of the Advisory Committee for 2007/08	$39,662,500

[a] Estimate as at 28 February 2007 (see annex).

07-30551 (E) 250407

I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends acceptance of the Secretary-General's proposal for the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 2007 to 30 June 2008, with the exception of his proposal to transfer funds for after-service health insurance (see paras. 7 and 18 below).**

2. The Advisory Committee's general report on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNDOF.

3. The documents used by the Advisory Committee in its consideration of the financing of UNDOF are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. The General Assembly, in its resolution 59/306, appropriated to the Special Account for UNDOF the amount of $41,521,400 gross ($40,379,000 net) for the period from 1 July 2005 to 30 June 2006. The total amount has been assessed on Member States. Expenditures for the period totalled $40,116,900 gross ($38,990,700 net), which is $1,404,500, or 3.4 per cent, lower than the apportionment of $41,521,400 (see A/61/662, summary).

5. The unutilized balance of $1,404,500 is the net effect of savings and additional requirements under various line items. Savings were attributable mainly to lower requirements for death and disability compensation for military personnel, as well as the inability to conclude a planned wet lease of six Sisu armoured personnel carriers. Other savings related to the transfer of eight 4x4 vehicles from the United Nations Interim Force in Lebanon (UNIFIL) instead of the planned purchase of new vehicles, and a decision not to acquire two armoured ambulances. Overexpenditures under military personnel relate to additional troop rotations, an increase in the cost of rations and the unbudgeted repatriation of contingent-owned equipment for one troop-contributing country.

6. The comments of the Advisory Committee on individual objects of expenditure can be found in the discussion of the proposed budget for the period from 1 July 2007 to 30 June 2008 in the paragraphs below.

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the General Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $4,196,000, as well as a portion of the unencumbered balance amounting to $84,400 for UNDOF for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

III. Information on performance for the current period

8. The Advisory Committee was informed that, as at 28 February 2007, a total of $1,493,070,600 had been assessed on Member States with respect to UNDOF since its inception. Payments received as at the same date amounted to $1,476,323,300, leaving an outstanding balance of $16,738,300. As at 28 February 2007, the cash position of the Force was $21,200,000 and unliquidated obligations for the period from 1 July 2005 to 30 June 2006 amounted to $3,579,213.

9. The Advisory Committee was also informed that troop-cost reimbursement up to 31 October 2006 totalled $14,164,400, while the remaining balance owed as at 31 December 2006 was $2,349,300. With regard to contingent-owned equipment, the Committee was informed that, as at 31 December 2006, an amount of $118,000 had been reimbursed and the estimated amount owed was $36,000, while unliquidated obligations for the period ending 30 June 2006 totalled $2,438,266. As at 28 February 2007, an amount of $5,302,500 had been paid for 153 claims for death and disability compensation since the inception of the mission; unliquidated obligations amounted to $8,500 and three claims remained outstanding. **The Committee trusts that the outstanding claims will be settled expeditiously.**

10. The Advisory Committee was informed that, as at 28 February 2007, the incumbency of UNDOF for the period from 1 July 2006 to 30 June 2007 was as follows:

	Posts authorized	*Posts encumbered*	*Number of vacant posts*	*Vacancy/delayed deployment rate (percentage)*
Military contingent personnel	1 047	1 024	23	2.2
International staff	43	40	3	7.0
National staff[a]	107	104	3	2.8

[a] Includes National Officers and national General Service staff.

11. The Advisory Committee was provided with the preliminary status of expenditures as at 28 February 2007 for the period from 1 July 2006 to 30 June 2007 (see annex). For the current period, expenditures amounted to $31,135,762 gross ($30,602,818 net) against an apportionment of $39,865,200 gross ($38,798,600 net) as at 28 February 2007. Total expenditure for the period is estimated at $39,473,325 (gross) ($38,637,229 net), including projected expenditures of $8,337,563 for the period 1 March to 30 June 2007.

12. In its previous report on UNDOF, the Advisory Committee noted the progress made with regard to the Force's three-year modernization programme (A/60/811, para. 12). The modernization programme was completed in early 2006 and no further capital expenditures were expected in this context. In this regard, the Committee was informed by UNDOF that the number of static positions has been reduced from 30 to 21, while mobile operations have increased. **The Advisory Committee encourages UNDOF to continue to keep the mode of operation of the Force under review.**

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

13. The mandate of UNDOF was established by the Security Council in its resolution 350 (1974). The most recent extension of the mandate, to 31 December 2006, was authorized by the Council in its resolution 1685 (2006).

14. With regard to the results-based budgeting framework, the Advisory Committee notes that total resource requirements continue to be linked to the Force's objective and that expected accomplishments, indicators of achievement and planned outputs were explained in a concise manner in both the budget document and the performance report. **The Committee welcomes this trend and encourages the mission to continue doing so.**

B. Resource requirements

1. Military and civilian police personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
Military contingent personnel	1 047	1 047	—

15. The proposed budget for the period 2007/08 for military personnel amounts to $19,698,800, a reduction of $242,800, or 1.2 per cent. The Advisory Committee was informed that this reflects a combination of anticipated increases and decreases under various budget line items. Increased requirements are expected for travel of military contingent personnel as a result of increased charter costs. Reduced requirements are expected for death and disability compensation for military contingent personnel, on the basis of recent lower expenditure levels.

16. With regard to contingent-owned equipment, the Committee was informed by UNDOF that the requirements for six Sisu vehicles under a wet lease agreement have not been incorporated in the proposed 2007/08 budget pending the outcome of negotiations with troop-contributing countries. A proposal by UNDOF to utilize another type of armoured vehicle that would meet operational requirements on the ground is being discussed with Headquarters. The Committee was also informed that, if the acquisition of those vehicles were approved, the estimated unencumbered balance for the 2006/07 period in the amount of $391,900 would be redeployed for that purpose and that the appropriation for that period would then be utilized in full.

2. Civilian personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
International staff	43	43	—
National staff[a]	107	107	—

[a] Including National Officers and national General Service staff.

General comments

17. The proposed budget for the period 2007/08 for civilian personnel amounts to $8,870,300, reflecting an increase of $373,600, or 4.4 per cent. The Advisory Committee was informed that the increase is primarily a result of the revised salary scale effective 1 February 2007.

18. The Advisory Committee was informed that, in line with the proposal by the Secretary-General to establish an initial after-service health insurance-related charge equivalent to 8 per cent of net base salary costs on all budget types (see A/61/730, para. 35 (b)), the proposed budget for UNDOF includes provisions for after-service health insurance of $259,000 under common staff costs for international staff and of $1,600 under general temporary assistance for one international staff member for the UNDOF mapping project. **Pending a decision by the General Assembly, the Committee recommends a reduction of $259,000 under common staff costs for international staff and $1,600 under general temporary assistance in the proposed budget for UNDOF for the period 2007/08.**

Recommendation on post redeployment

19. *Redeployment of one national General Service post, Procurement Section, to the Finance Section, Division of Administration (A/61/671, para. 9).* Invoice-processing functions would be moved along with the post, as proposed by the Office of Internal Oversight Services, in order to ensure the segregation of duties between the procurement and finance sections of missions. **The Advisory Committee has no objection to the redeployment of this post.**

3. Operational costs

(United States dollars)

Apportioned 2006/07	*Proposed 2007-2008*	*Variance*
11 426 900	11 354 000	72 900

Comments on efficiency gains

20. The Advisory Committee notes from paragraph 5 of the budget proposal that in 2007/08 the mission is seeking efficiency gains, in particular in the area of ground transportation, where it will extend the scheduled replacement timeline for light vehicles from an average of seven years to eight years, which would reduce the number of vehicles envisaged for replacement from 81 to 55. **The Advisory Committee welcomes these efforts and looks forward to the inclusion of the efficiency gains made in the performance report for the period 2007/08.**

General temporary assistance

21. During the 2005/06 period, general temporary assistance overexpenditures were incurred in the amount of $361,800. Upon enquiry, the Advisory Committee was informed that New York Headquarters had recruited two staff members to set up the mapping project and the related cartographic cell, which is now being operated by one international P-3 and one national General Service staff member, who were also providing cartographic training to national staff. For this purpose, a total of

$77,000 for six months was earmarked under general temporary assistance for the 2007/08 period. Upon enquiry, the Committee was informed that the Secretary-General had not envisaged a regional approach to geographic information systems or mapping in the budget for 2007/08. **The Committee recommends that the Secretary-General consider providing for a coordinated capacity for the region.**

Medical

22. For the 2005/06 period, the apportionment for medical supplies in the amount of $138,000 was exceeded by $74,900, or 54.3 per cent, resulting in total expenditures of $212,900. Supplementary information indicates that this amount was the share of UNDOF for the procurement of medical supplies for the treatment of avian flu. Upon enquiry, the Advisory Committee was informed that the shelf life of those supplies was five years.

Information technology

23. Requirements for information technology for the 2007/08 budget period rose to $795,400, representing an increase of $118,500, or 17.5 per cent, over requirements for the previous period. Supplementary information provided to the Advisory Committee indicates that the increased estimate is due to the outsourcing of the help desk and user support to meet greater demand. This includes the implementation of the disaster-recovery business continuity plan, enhancement of information technology security and the implementation of the Force's communication and information technology project. Upon enquiry, the Committee was informed that the additional requirements were related primarily to the use of an outside contract for centralized data storage and for computer maintenance, as well as a national contractor to enhance a unified system architecture and directory services and perform installation, to maintain security and to assist in the administration, support and implementation of the storage area network.

V. Conclusion

24. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 18 of the performance report (A/61/662). **The Advisory Committee recommends that the unencumbered balance of $4,196,000 as well as other income/adjustments in the amount of $1,404,500 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

25. The action to be taken by the General Assembly in connection with the financing of UNDOF for the period from 1 July 2007 to 30 June 2008 is indicated in paragraph 22 of the proposed budget (A/61/671). **Taking into account its observations above, the Advisory Committee recommends that the General Assembly appropriate an amount of $39,662,500 (gross) for the maintenance of UNDOF for the 12-month period from 1 July 2007 to 30 June 2008.**

Documentation

- Performance report on the budget of the United Nations Disengagement Observer Force for the period from 1 July 2005 to 30 June 2006 (A/61/662)
- Proposed budget for the United Nations Disengagement Observer Force for the period from 1 July 2007 to 30 June 2008 (A/61/671 and Corr.1)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Disengagement Observer Force (A/60/811)
- Report of the Secretary-General on the United Nations Disengagement Observer Force (S/2006/938)
- General Assembly resolutions 60/277 and 59/306
- General Assembly resolution 61/264 (Liabilities and proposed funding for after-service health insurance benefits)
- Security Council resolutions 1729 (2006), 1685 (2006), 350 (1974) and 338 (1973)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006 and report of the Board of Auditors on United Nations peacekeeping operations (A/61/5), vol. II (advance version)

Annex

United Nations Disengagement Observer Force: current and projected expenditures for the period from 1 July 2006 to 30 June 2007, as at 28 February 2007

(United States dollars)

	1 July 2006 to 30 April 2007			*Projected 1 May to 30 June 2007*				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance percentage (7)=(6)÷(1)*	*Reasons for variance*
Military and police personnel								
Military observers	—	—	—	—	—	—	—	
Military contingents	19 941 600	18 438 606	1 502 994	1 609 513	20 048 119	(106 519)	(0.5)	
United Nations police	—	—	—	—	—	—	—	
Formed police units	—	—	—	—	—	—	—	
Subtotal	**19 941 600**	**18 438 606**	**1 502 994**	**1 609 513**	**20 048 119**	**(106 519)**	**(0.5)**	
Civilian personnel								
International staff	6 377 700	4 068 759	2 308 941	1 892 711	5 961 470	416 230	6.5	Vacancy rate is projected at 8%, compared with 7% budgeted
National staff	2 119 000	1 570 489	548 511	793 909	2 364 398	(245 398)	(11.6)	Implementation of revised salary scales
United Nations Volunteers	—	—	—	—	—	—	—	
Subtotal	**8 496 700**	**5 639 248**	**2 857 452**	**2 686 620**	**8 325 868**	**170 832**	**2.0**	
Operational costs								
General temporary assistance	40 000	70 084	(30 084)	66 576	136 660	(96 660)	(241.7)	Primarily due to recruitment of cartographer at the P-3 level
Government-provided personnel	—	—	—	—	—	—	—	
Civilian electoral observers	—	—	—	—	—	—	—	
Consultants	14 000	279	13 721	10 976	11 255	2 745	19.6	Lower requirement than projected as most of the training is being done at UNLB
Official travel	227 000	164 308	62 692	55 987	220 295	6 705	3.0	

	1 July 2006 to 30 April 2007			*Projected 1 May to 30 June 2007*				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance percentage (7)=(6)÷(1)*	*Reasons for variance*
Facilities and infrastructure	4 094 700	2 898 335	1 196 365	1 017 074	3 915 409	179 291	4.4	
Ground transportation	3 954 200	1 682 735	2 271 465	1 818 461	3 501 196	453 004	11.5	Procurement of fewer units than planned
Air transportation	—	—	—	—	—	—	—	
Naval transportation	—	—	—	—	—	—	—	
Communications	1 377 400	1 014 747	362 653	295 721	1 310 468	66 932	4.9	
Information technology	676 900	569 587	107 313	101 350	670 937	5 963	0.9	
Medical	396 600	278 329	118 271	34 774	313 103	83 497	21.1	Lower requirement than projected for outside services
Special equipment	64 300	4 300	60 000	56 892	61 192	3 108	4.8	
Other supplies, services and equipment	581 800	375 204	206 596	583 619	958 823	(377 023)	(64.8)	Projected overexpenditure due to provision for the UNDOF share of OIOS Procurement Task Force expenses
Quick-impact projects	—	—	—	—	—	—	—	
Subtotal	**11 426 900**	**7 057 908**	**4 368 992**	**4 041 430**	**11 099 338**	**327 562**	**2.9**	
Gross requirements	**39 865 200**	**31 135 762**	**8 729 438**	**8 337 563**	**39 473 325**	**391 875**	**1.0**	
Staff assessment income	1 066 600	532 944	533 656	303 152	836 096	230 504	21.6	
Net requirements	**38 798 600**	**30 602 818**	**8 195 782**	**8 034 411**	**38 637 229**	**161 371**	**0.4**	
Voluntary contributions in kind (budgeted)	—	—	—	—	—	—	—	
Total requirements	**39 865 200**	**31 135 762**	**8 729 438**	**8 337 563**	**39 473 325**	**391 875**	**1.0**	

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission of Support in East Timor

Financial performance report for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06[a]	$1,662,200
Expenditure 2005/06[a]	$1,619,600
Unencumbered balance[a]	$42,600

[a] These figures relate to the 2005/06 performance period, covering the administrative liquidation period from 1 July to 31 October 2005.

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report on the budget of the United Nations Mission of Support in East Timor (UNMISET) for the period from 1 July 2005 to 30 June 2006 (A/61/670).

2. The general report of the Advisory Committee on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNMISET.

07-30572 (E) 240407

Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

3. The documents used by the Advisory Committee in its consideration of the financing of UNMISET are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

Mandate and results

4. By its resolution 1573 (2004), the Security Council extended the mandate of UNMISET for a final period of six months until 20 May 2005. In its resolution 59/13 A, the General Assembly approved resources for the administrative liquidation for the period from 21 May to 30 June 2005. The budget for the completion of the administrative liquidation of UNMISET for the period from 1 July to 31 October 2005, which was set out in the report of the Secretary-General dated 21 December 2004 (A/59/637), amounted to $3,856,200 gross ($3,589,000 net).

5. Following a review of the requirements and the progress made in the liquidation of UNMISET during the 2004/05 period, the liquidation budget was reduced by $2,194,000 gross ($2,046,200 net) to $1,662,200 gross ($1,542,800 net). The updated budgetary requirements provided for 38 international and 90 national staff, as well as eight United Nations Volunteers. On the recommendation of the Advisory Committee contained in its report on UNMISET (A/59/736/Add.17), the General Assembly, by its resolution 59/13 B, appropriated the reduced amount for the period from 1 July to 31 October 2005. This amount was assessed on Member States.

6. Upon enquiry, the Advisory Committee was informed that the final performance report for UNMISET would be prepared for consideration by the Committee during the first quarter of 2008. **The Advisory Committee recommends that all unencumbered balances be credited to Member States without delay and urges the Secretariat to expedite the preparation of the final performance report for UNMISET for consideration by the Committee during the fourth quarter of 2007.**

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, requested the Secretary-General to submit a detailed report on after-service health insurance to its sixty-third session. **Pending a decision by the General Assembly, the Advisory Committee recommends that the full amount of other income and adjustments, amounting to $31,793,300, as well as a portion of the unencumbered balance for UNMISET for the 2005/06 period, amounting to $2,600, which had been proposed for meeting after-service health insurance liabilities, should be credited to Member States.**

Information on financial performance

8. The Advisory Committee was informed that, as at 31 December 2006, a total of $1,773,423,700 had been assessed on Member States with respect to UNMISET since its inception. Payments received as at the same date amounted to $1,750,517,300, leaving an outstanding balance of $22,906,400. As at 26 March

2007, the financial resources of the Mission totalled $17.1 million. This reflects full reimbursement to contributing countries for troop costs/formed police units, contingent-owned equipment and self-sustainment. As at 30 June 2006: $1,483,800 had been paid for 48 claims for death and disability compensation since the inception of the Mission; unliquidated obligations amounted to $19,900; and no claims remained outstanding.

Utilization of resources

9. Expenditures for the period from 1 July 2005 to 30 June 2006 totalled $1,619,600 gross ($1,495,400 net), which is $42,600, or 2.6 per cent, lower than the appropriation of $1,662,200 (see A/61/670, sect. II.A).

10. The Mission's unutilized balance of $42,600 is the net effect of savings and additional requirements under various line items. Savings were mainly attributable to lower requirements under: (a) facilities and infrastructure owing to the fact that minimal repairs were needed for facilities being returned to the Government of Timor-Leste; (b) communications, after the decommissioning of the satellite phone service; (c) other supplies, services and equipment resulting from the decision not to move the generators to the United Nations Logistics Base in Brindisi, Italy, but to transfer them to the United Nations Office in Timor-Leste (UNOTIL). Overexpenditures relate primarily to: (d) international and national staff salaries, staff assessment, common staff costs, the higher cost of air travel for the repatriation of United Nations Volunteers and a 5.4 per cent increase in the revised local salary scale effective 1 May 2005; (e) communications, following the donation of communication towers with very-high frequency repeaters to the Government and the resulting need to acquire hand-held high frequency radios for UNMISET staff; and (f) foreign exchange losses.

Communications

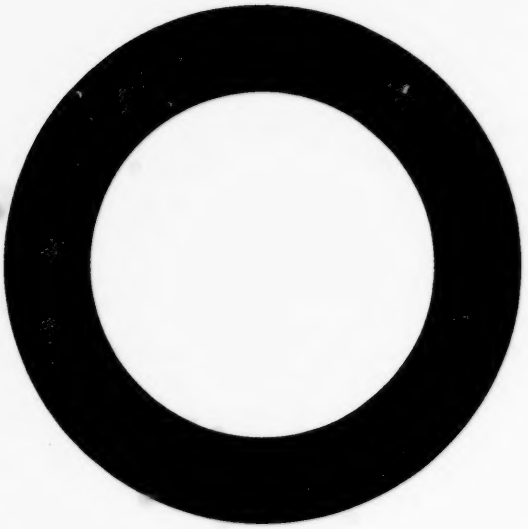
11. For the 2005/06 period, there was no apportionment for the acquisition of communications equipment but a total of $136,800 was expended. Upon enquiry, the Advisory Committee was informed that during the commencement of the liquidation of UNMISET on 21 May 2005, the communication towers with very-high frequency repeaters were earmarked for donation to the Government of Timor-Leste. There was no further need for the equipment and it was not cost-effective to transfer it to other peacekeeping missions. The equipment was therefore donated to the Government. During the final liquidation stage, from July to October 2005, more advanced equipment with wide-range coverage capability was required to provide efficient and effective communication support to the UNMISET liquidation team and to the follow-on political mission, UNOTIL. This made the purchase of hand-held high frequency radios necessary.

III. Conclusion

12. The action to be taken by the General Assembly in connection with the financing of UNMISET for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 15 of the performance report (A/61/670). **The Advisory Committee recommends that the unencumbered balance of $31,793,300 and other income/adjustments in the amount of $42,600 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

Documentation

- Performance report on the budget of the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/61/670)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance for the period from 1 July 2003 to 30 June 2004 and the proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor (A/59/736/Add.17)
- Budget for the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/59/637)
- General Assembly resolutions 59/13 A and B
- General Assembly resolution 61/264
- Security Council resolution 1573 (2004)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006; report of the Board of Auditors; Volume II, United Nations peacekeeping operations (A/61/5 (Vol.II))



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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission of Support in East Timor

Financial performance report for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06[a]	$1,662,200
Expenditure 2005/06[a]	$1,619,600
Unencumbered balance[a]	$42,600

[a] These figures relate to the 2005/06 performance period, covering the administrative liquidation period from 1 July to 31 October 2005.

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the performance report on the budget of the United Nations Mission of Support in East Timor (UNMISET) for the period from 1 July 2005 to 30 June 2006 (A/61/670).

2. The general report of the Advisory Committee on the administrative and budgetary aspects of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to UNMISET.

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3. The documents used by the Advisory Committee in its consideration of the financing of UNMISET are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

Mandate and results

4. By its resolution 1573 (2004), the Security Council extended the mandate of UNMISET for a final period of six months until 20 May 2005. In its resolution 59/13 A, the General Assembly approved resources for the administrative liquidation for the period from 21 May to 30 June 2005. The budget for the completion of the administrative liquidation of UNMISET for the period from 1 July to 31 October 2005, which was set out in the report of the Secretary-General dated 21 December 2004 (A/59/637), amounted to $3,856,200 gross ($3,589,000 net).

5. Following a review of the requirements and the progress made in the liquidation of UNMISET during the 2004/05 period, the liquidation budget was reduced by $2,194,000 gross ($2,046,200 net) to $1,662,200 gross ($1,542,800 net). The updated budgetary requirements provided for 38 international and 90 national staff, as well as eight United Nations Volunteers. On the recommendation of the Advisory Committee contained in its report on UNMISET (A/59/736/Add.17), the General Assembly, by its resolution 59/13 B, appropriated the reduced amount for the period from 1 July to 31 October 2005. This amount was assessed on Member States.

6. Upon enquiry, the Advisory Committee was informed that the final performance report for UNMISET would be prepared for consideration by the Committee during the first quarter of 2008. **The Advisory Committee recommends that all unencumbered balances be credited to Member States without delay and urges the Secretariat to expedite the preparation of the final performance report for UNMISET for consideration by the Committee during the fourth quarter of 2007.**

7. The Advisory Committee notes that the General Assembly, in its resolution 61/264, requested the Secretary-General to submit a detailed report on after-service health insurance to its sixty-third session. **Pending a decision by the General Assembly, the Advisory Committee recommends that the full amount of other income and adjustments, amounting to $31,793,300, as well as a portion of the unencumbered balance for UNMISET for the 2005/06 period, amounting to $2,600, which had been proposed for meeting after-service health insurance liabilities, should be credited to Member States.**

Information on financial performance

8. The Advisory Committee was informed that, as at 31 December 2006, a total of $1,773,423,700 had been assessed on Member States with respect to UNMISET since its inception. Payments received as at the same date amounted to $1,750,517,300, leaving an outstanding balance of $22,906,400. As at 26 March 2007, the financial resources of the Mission totalled $17.1 million. This reflects full reimbursement to contributing countries for troop costs/formed police units, contingent-owned equipment and self-sustainment. As at 30 June 2006: $1,483,800 had been paid for 48 claims for death and disability compensation since the inception of the Mission; unliquidated obligations amounted to $19,900; and no claims remained outstanding.

Utilization of resources

9. Expenditures for the period from 1 July 2005 to 30 June 2006 totalled $1,619,600 gross ($1,495,400 net), which is $42,600, or 2.6 per cent, lower than the appropriation of $1,662,200 (see A/61/670, sect. II.A).

10. The Mission's unutilized balance of $42,600 is the net effect of savings and additional requirements under various line items. Savings were mainly attributable to lower requirements under: (a) facilities and infrastructure owing to the fact that minimal repairs were needed for facilities being returned to the Government of Timor-Leste; (b) communications, after the decommissioning of the satellite phone service; (c) other supplies, services and equipment resulting from the decision not to move the generators to the United Nations Logistics Base in Brindisi, Italy, but to transfer them to the United Nations Office in Timor-Leste (UNOTIL). Overexpenditures relate primarily to: (d) international and national staff salaries, staff assessment, common staff costs, the higher cost of air travel for the repatriation of United Nations Volunteers and a 5.4 per cent increase in the revised local salary scale effective 1 May 2005; (e) communications, following the donation of communication towers with very-high frequency repeaters to the Government and the resulting need to acquire hand-held high frequency radios for UNMISET staff; and (f) foreign exchange losses.

Communications

11. For the 2005/06 period, there was no apportionment for the acquisition of communications equipment but a total of $136,800 was expended. Upon enquiry, the Advisory Committee was informed that during the commencement of the liquidation of UNMISET on 21 May 2005, the communication towers with very-high frequency repeaters were earmarked for donation to the Government of Timor-Leste. There was no further need for the equipment and it was not cost-effective to transfer it to other peacekeeping missions. The equipment was therefore donated to the Government. During the final liquidation stage, from July to October 2005, more advanced equipment with wide-range coverage capability was required to provide efficient and effective communication support to the UNMISET liquidation team and to the follow-on political mission, UNOTIL. This made the purchase of hand-held high frequency radios necessary.

III. Conclusion

12. The action to be taken by the General Assembly in connection with the financing of UNMISET for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 15 of the performance report (A/61/670). **The Advisory Committee recommends that the unencumbered balance of $31,793,300 and other income/adjustments in the amount of $42,600 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 7 above).**

Documentation

- Performance report on the budget of the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/61/670)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance for the period from 1 July 2003 to 30 June 2004 and the proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission of Support in East Timor (A/59/736/Add.17)
- Budget for the United Nations Mission of Support in East Timor for the period from 1 July 2005 to 30 June 2006 (A/59/637)
- General Assembly resolutions 59/13 A and B
- General Assembly resolution 61/264
- Security Council resolution 1573 (2004)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006; report of the Board of Auditors; Volume II, United Nations peacekeeping operations (A/61/5 (Vol.II))

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission for the Referendum in Western Sahara

Financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2007 to 30 June 2008

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$45,540,400
Expenditure for 2005/06	$42,384,400
Appropriation for 2006/07	$42,619,400
Projected expenditure for 2006/07[a]	$40,154,000
Estimated unencumbered balance for 2006/07[a]	$2,466,100
Proposal submitted by the Secretary-General 2007/08	$44,675,100
Recommendation of the Advisory Committee 2007/08	$44,321,600

[a] As at February 2007 (see annex I).

I. Introduction

1. The recommendations of the Advisory Committee on Administrative and Budgetary Questions, set out in paragraphs 23 and 25 below, would entail a reduction of $353,500 to the proposed budget for the United Nations Mission for the Referendum in Western Sahara (MINURSO) for the period from 1 July 2007 to 30 June 2008.

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2. The general report of the Advisory Committee on administrative and budgetary aspects of peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with the resources and other items that related specifically to MINURSO.

3. The documents used by the Advisory Committee in its consideration of the financing of MINURSO are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. The General Assembly, in its resolution 59/308, appropriated to the Special Account for MINURSO an amount of $45,540,400 gross ($43,032,400 net) for the maintenance of the Mission for the period from 1 July 2005 to 30 June 2006. Expenditures for the period totalled $42,348,400 gross ($40,156,900 net) (see A/61/683, sect. III.A). The resulting unencumbered balance of $3,192,000 represents, in gross terms, 7 per cent of the total appropriation or a budget implementation rate of 93 per cent.

5. The decline in the budget implementation rate, compared to 99 per cent reported for 2004/05, relates to reported under expenditures for military and police personnel ($215,200), civilian personnel ($1,737,800) and operational costs ($1,239,000), which are explained below.

6. The reported savings under military and police personnel costs were mostly due to underexpenditures for military observers ($165,300) as a result of lower actual average cost per rotation ($4,792 per rotation for an average of 175 military observers), as compared to what was provided in the budget ($5,000 per rotation for an average of 203 military observers); and underexpenditure for United Nations police ($74,200) owing to the average strength actually deployed being six officers rather than the eight budgeted for. These savings were offset by additional requirements for military contingents ($24,300), resulting from two actual round-trip rotations (instead of one provided for in the budget) in connection with the replacement of the Medical Unit of the Republic of Korea by a Medical Unit from Malaysia (May 2006).

7. The savings under civilian personnel costs ($1,737,800) were mostly due to actual overall vacancy rates of 14 per cent for international staff and of 18.6 per cent for national staff, compared to the budgeted rates of 6 per cent and 2 per cent, respectively.

8. Under operational costs there were a number of additional requirements, particularly under:

(a) Facilities and infrastructure ($1,429,500), mostly owing to the need to implement a number of security enhancement projects at all Mission locations following a security management assessment by the Department of Safety and Security carried out in accordance with the security concerns of Mission management;

(b) Information technology ($210,400), due to the additional requirements for the implementation of a Geographic Information System to enable the Mission to

produce accurate operational maps for planning purposes and to enhance the safety and security of staff and military observers in connection with mines and unexploded munitions;

(c) Special equipment ($140,200), due to the unbudgeted acquisition of night-vision devices recommended in the military operational audit of the Mission in June 2005.

9. These increases were more than offset by savings under other budget items, most particularly: air transportation ($2,514,800), resulting from a lower than planned number of hours being flown by both fixed-wing and helicopter operations during the reporting period; government-provided personnel ($73,700), as payment of mission subsistence allowance had been budgeted for five such personnel, but only four were deployed, only two of whom were entitled to such payments; consultants ($28,300), in view of the cancellation of the budgeted information technology training consultants and the recording of charges related to language training consultants against a different budget line (other supplies, services and equipment); communications ($268,600), resulting from the reduction of the Mission's prorated share for rental of satellite transponders as other peacekeeping missions were established or expanded. The net result was savings of $1,239,000 under operational costs as a whole.

10. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2007 to 30 June 2008 in the paragraphs below.

11. The Advisory Committee notes that the General Assembly, in its resolution 61/264, has requested the Secretary-General to submit a detailed report on after-service health insurance benefits at its sixty-third session. **Pending a decision by the Assembly, the Advisory Committee recommends that the full amount of other income and adjustments amounting to $1,274,000, as well as a portion of unencumbered balance amounting to $191,700 for MINURSO for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, should be credited to Member States.**

III. Information on performance for the current period

12. The Advisory Committee was informed that, as at 31 December 2006, a total of $630,219,000 had been assessed on Member States in respect of MINURSO since its inception. Payments received, as at the same date, amounted to $578,108,700, leaving an outstanding balance of $52,110,300. As at 12 March 2007, the Mission had cash resources of $16 million, including $10 million borrowed from the accounts of the United Nations Protection Force. Since the three-month operating reserve (excluding reimbursement to troop-contributing countries) is $11,400,000, remaining cash, including the loan from the United Nations Protection Force, would amount to only $4,600,000. **The Advisory Committee expresses its concern regarding the non-payment of assessments.**

13. The Advisory Committee was also informed that, as at 31 December 2006, an amount of $1,362,700 was owed for troop costs (including an amount of $1,074,400 owed as of 1 January 2006 and $288,300 owed for the period from 1 January to

31 December 2006) and $564,000 for contingent-owned equipment. The Committee notes that, owing to the cash position of MINURSO, the Organization has been unable to reimburse the Governments providing troops and contingent-owned equipment for related costs. **The Committee reiterates its concern in this regard.** In respect of death and disability compensation, an amount of $237,600 had been paid for nine claims since the Mission's inception. Unliquidated obligations, as at 31 December 2006, amounted to $23,000.

14. The Advisory Committee was informed that, as at 31 January 2007, the incumbency of MINURSO for the period from 1 July 2006 to 30 June 2007 was as follows:

Category of personnel	*Authorized*[a]	*Encumbered*	*Vacant*	*Vacancy rate (Percentage)*
Military observers	203	185	18	8.9
Military contingents	27	28	(1)	(3.7)
United Nations police	6	6	—	—
International staff	114	100	14	12.3
National staff	148	138	10	6.8
United Nations Volunteers	23	23	—	—

[a] Represents the highest authorized strength for the period.

15. The Advisory Committee was also provided with current and projected expenditure data for the period from 1 July 2006 to 30 June 2007 (see annex I). As at 1 March 2007, expenditure for the Mission amounted to $27,760,000 gross, against the apportionment of $42,620,000 gross. It is estimated that between 1 March and 30 June 2007 an amount of $12,394,000 will be spent, giving a projected unencumbered balance of $2,466,000 for the financial period 2006/07 and a budget implementation rate of 94 per cent.

16. In this connection, the Advisory Committee notes that most of the underexpenditures projected for the period 2006/07 are related to higher vacancy rates than those originally included in the budget. Savings projected under civilian personnel costs ($1,867,000) result from vacancy rates of 10 per cent for international staff and 15 per cent for national staff, as compared to those of 5 per cent budgeted for both categories. Net savings projected for military and police personnel costs ($359,000) are the result of projected vacancy rates of 8 per cent for military observers and 3 per cent for United Nations police, compared to the rates of 2 and zero per cent, respectively, applied in the budget, partially offset by an overrun in the costs of military contingents due to an overlap during the rotation of contingents. In addition, there are projected savings ($240,000) under operational costs.

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

17. The Advisory Committee recalls that MINURSO was established by the Security Council in its resolution 690 (1991). The most recent extension of the mandate, until 30 April 2007, was authorized by the Council in its resolution 1720 (2006).

18. The Advisory Committee notes that three reviews were conducted during the 2005/06 period, including the structure of administrative and other civilian components, security, and a military operational audit. The Mission currently operates in 12 locations, including Laayoune, where the Mission headquarters is located, Tindouf and Dakhla, and has nine military observer team sites throughout the Mission area. The Committee was informed that MINURSO also provides political guidance and advice to the Personal Envoy of the Secretary-General, as required, as well as logistical support for his visits to the region.

19. As indicated in paragraph 5 of the budget document (A/61/744), efficiency gains are being sought for 2007/08 in the areas of international staff costs, facilities and infrastructure, air transportation and commercial communications. Explanations of the efficiency gains are provided and related savings identified and quantified in the budget document (see A/61/744, sect. II and III).

B. Resource requirements

20. The proposed budget for MINURSO for 2007/08 amounts to $44,675,100 gross ($42,574,700 net), representing an increase of $2,055,700 gross or 4.8 per cent over the gross amount of $42,619,400 apportioned for the 2006/07 period. The Committee notes that most of the increase relates to net additional requirements under operational costs ($2,417,600), partially offset by a decrease in the net requirements proposed for military and police personnel ($219,900) and civilian personnel costs ($142,000).

1. Military and police personnel

Category	*Approved 2006/07*[a]	*Proposed 2007/08*
Military observers	203	203
Military contingent personnel	27	27
United Nations police	6	6

[a] Represents the highest level of authorized/approved staff.

21. The Advisory Committee notes that no change is proposed in the numbers of military and police personnel for the period 2007/08. The resources proposed for 2007/08 for military observers, military contingent personnel and United Nations police of $6,258,800, reflect a decrease of $219,900 (3.4 per cent). This is based on a vacancy factor of 5 per cent in the costs for military observers, compared with

zero applied for the period 2006/07, as well as a reduced estimated average cost of $2,600 per round trip for United Nations police, as compared to the estimated cost of $5,000 per round trip included in the previous budget.

2. Civilian personnel

Category	*Authorized 2006/07*	*Proposed 2007/08*
International staff [a]	114	114
National staff [b]	148	151
United Nations Volunteers	23	25

[a] Represents the highest level of authorized/proposed strength.
[b] Includes National Officers and national General Service staff.

22. The proposed civilian personnel costs for MINURSO for the period from 1 July 2007 to 30 June 2008 amount to $17,005,400. The staffing component shown above reflects a net change of five posts, excluding two positions funded under general temporary assistance related to the Conduct and Discipline Team (1 P-4 and 1 national General Service). The staff costs take into account the application of a 10 per cent delayed recruitment factor for international staff, national staff and United Nations Volunteers, compared to the rates of 5 per cent for international and national staff and 10 per cent for United Nations Volunteers applied for 2006/07. These revised rates were based on performance data for 2005/06 and the current budget period 2006/07 (see paras. 7 and 16 above).

23. **Pending a decision by the General Assembly on the funding of after-service health insurance, the Advisory Committee recommends a reduction of $320,700 under common staff costs of international staff and of $5,500 under general temporary assistance in the proposed budget of MINURSO for the period 2007/08.**

Recommendations on posts

24. A summary of the staffing changes proposed for the MINURSO for the period 2007/08 is attached (see annex II), including a number of redeployments. A description of the changes is also provided in the report of the Secretary-General under the various components (A/61/744). The new posts proposed include those set out in the following paragraphs.

25. *Creation of a Programme Manager post (United Nations Volunteer) in the Personnel Section (A/61/744, para. 13).* It is proposed that the functions of programme manager be carried out by a United Nations Volunteer instead of an individual with an appointment of limited duration, as done during 2006/07, taking into account the small presence of such staff in MINURSO (23 during 2006/07, 25 proposed for 2007/08 (see para. 26 below) including this post). **The Advisory Committee recommends against the acceptance of this post; the functions should be distributed among the two other United Nations Volunteers in the Section.**

26. *Creation of two new posts for a Geographic Information System Officer (1 P-3) and a Geographic Information System Assistant (1 United Nations*

Volunteer) to establish a Geographic Information System Unit in the Engineering Section (A/61/744, paras. 15 and 16). The Geographic Information System Unit provides the Mission with reliable methods for mapping routes and hazards, in particular with respect to recording the location of minefields and unexploded ordnance, providing capability for the safety and efficiency of ground patrols in support of the mandate of the Mission. The Unit currently comprises one military technician. **The Advisory Committee recommends acceptance of the two posts (1 P-3, 1 United Nations Volunteer) for the Geographic Information System Unit.**

27. *Creation of two Facilities Management Assistant posts (national General Service) in the Engineering Section (A/61/744, para. 18).* The related functions include air conditioning repairs and maintenance services at various team sites and facilities of the Mission, previously provided by the Royal Moroccan Army. **The Advisory Committee recommends acceptance of this post.**

28. In addition, the Advisory Committee notes that the P-4 post of the Chief of the General Services Section is proposed to be downgraded to the P-3 level in view of a review of the responsibilities and functions assigned to this position (A/61/744, para. 11) and that one Field Service post (Accommodation Assistant) is proposed for conversion to a national General Service post as the functions can more adequately be performed by a national staff member (A/61/744, para. 17). The efficiency gains related to these changes amount to $34,315 and $76,600, respectively (A/61/744, para. 25). **The Advisory Committee recommends approval of these two proposals and encourages the Mission to seek further conversions from international to national staff, where feasible.**

3. Operational costs

(In United States dollars)

Apportioned 2006/07	*Proposed 2007/08*
18 993 300	21 410 900

29. The operational costs for MINURSO for the period from 1 July 2007 to 30 June 2008 represent an increase of $2,417,600, or 12.7 per cent, compared to the apportionment for 2006/07. Major factors contributing to the increase are discussed in paragraphs 30 to 36 below.

Facilities and infrastructure

30. The resources proposed under facilities and infrastructure for the period from 1 July 2007 to 30 June 2008 amount to $3,675,900, an increase of $832,000 or 29.3 per cent, compared to the apportionment for 2006/07 of $2,843,700. The Advisory Committee notes that most of the variance results from additional requirements related to the acquisition of water purification equipment in order to solve water problems at three team sites ($317,400), the acquisition of security and safety equipment to upgrade security enhancement facilities at three team sites in line with the recommendations of the security review conducted by the Department of Safety and Security in December 2005 ($206,000) and alteration and renovation projects to bring three other sites into compliance with minimum operating security standards ($396,000).

31. The Advisory Committee notes an efficiency gain of $72,420 resulting from the reduction in usage of petrol, oil and lubricants for the Mission's generators as a result of the shift of power supply from generators to the public grid in some facilities (A/61/744, para. 33).

Ground transportation

32. The proposed requirements for ground transportation of $2,524,100 reflect an increase of $969,100 or 62.3 per cent compared to the apportionment for 2006/07. The increase in the provision is mostly due to the $1,545,600 requested for the replacement of 70 vehicles, out of a fleet of 334 vehicles projected for June 2007. The Advisory Committee was informed that in addition to having reached the replacement age specified in the Department of Peacekeeping Operations policy, these vehicles are in very poor condition due to the harsh driving conditions in the Mission area.

Communications

33. The resources proposed for communications amount to $1,656,100 for 2007/08; reflecting an increase of $474,900 (40.2 per cent), compared to the provision for 2006/07. The Committee notes that the increase is mostly due to the necessary replacement of the main earth station antenna, which provides the communications link for the Mission, as well as equipment required for the main locations where staff are stationed, based on the security enhancement recommendations of the Department of Safety and Security.

34. The Advisory Committee notes an efficiency gain of $45,600 under commercial communications resulting from the implementation by the Mission of a programme to reduce mobile telephone charges by enforcing strict control over access to international calls and roaming charges. **The Advisory Committee welcomes this initiative and recommends that it be emulated in other peacekeeping missions.**

Air transportation

35. The resources of $11,141,100 proposed for 2007/08 provide for the rental and operation of 3 fixed-wing and 3 rotary-wing aircraft and related costs. The requirements reflect a reduction of $172,700 or 1.5 per cent compared to the apportionment for 2006/07. The reduction reflects the reduced costs per flight hour in accordance with a new contract negotiated, as well as a reduction in the number of flight hours compared to the previous period for both types of aircraft based on experience in 2005/06 (A/61/744, para. 35), partially offset by increased guaranteed costs for rotary-wing aircraft.

36. The Committee notes that an efficiency gain of $43,700 is reported under this budget item in view of the closing of three out of seven fuel stations, which should result in cost reductions in spare parts and maintenance of fuelling equipment (A/61/744, para. 35).

V. Conclusion

37. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 24 of the performance report of the Secretary-General on the budget of the Mission (A/61/683). **The Advisory Committee recommends that the unencumbered balance of $3,192,000, as well as other income and adjustments in the amount of $1,274,000, for the period ended 30 June 2006, be credited to Member States in a manner to be determined by the General Assembly (see also para. 23 above).**

38. The action to be taken by the General Assembly in connection with the financing of MINURSO for the period from 1 July 2007 to 30 June 2008 is indicated in paragraph 43 of the report of the Secretary-General on the budget of the Mission (A/61/744). **The Advisory Committee recommends that the budget requirements for the maintenance of the Mission for the period from 1 July 2006 to 30 June 2007 be reduced to $44,321,600.**

Documentation

- Performance report on the budget of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2005 to 30 June 2006 (A/61/683)
- Report of the Secretary-General on the budget of the United Nations Mission for the Referendum in Western Sahara for the period from 1 July 2007 to 30 June 2008 (A/61/744)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Mission for the Referendum in Western Sahara (A/60/897)
- General Assembly resolution 60/280
- Report of the Secretary-General on the situation concerning Western Sahara (S/2006/817)
- Security Council resolution 1720 (2006)
- Report of the Board of Auditors on the financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006 (A/61/5, Volume II)
- General Assembly resolution 61/264

Annex I

United Nations Mission for the Referendum in Western Sahara: current and projected expenditures for the period from 1 July 2006 to 30 June 2007

(United States dollars)

		1 July 2006 to 28 February 2007		*Projected: 1 March to 30 June 2007*				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance (Percentage) (7)=(6)÷(1)*	*Reasons for variance*
I. Military and police personnel								
Military observers	5 598	3 365	2 233	1 848	5 213	385	7	Savings as a result of higher vacancy rate (8 per cent) than budgeted (2 per cent)
Military contingents	715	635	81	119	754	(39)	-5	Overrun as a result of lower vacancy rate (-2 per cent) than budgeted (0 per cent) owing to overlapping during rotation of contingents
United Nations police	166	107	59	46	153	13	8	Savings as a result of higher vacancy rate (3 per cent) than budgeted (0 per cent)
Formed police units	—	—	—	—	—	—	0	
Total, I	**6 480**	**4 107**	**2 373**	**2 013**	**6 120**	**359**	**6**	
II. Civilian personnel								
International staff	13 404	7 717	5 688	4 549	12 266	1 139	8	Savings due to higher vacancy rate (10 per cent) than budgeted (5 per cent)
National staff	2 960	1 337	1 623	804	2 141	820	28	Savings due to higher vacancy rate (15 per cent) than budgeted (5 per cent)
United Nations Volunteers	782	647	135	226	873	(91)	-12	Overrun due to an increase in monthly VLA from $1,483 to $1,983 and also temporary accommodation allowance was not budgeted in the 2006/07 budget
Total, II	**17 147**	**9 701**	**7 446**	**5 579**	**15 280**	**1 867**	**11**	

	Apportionment (1)	1 July 2006 to 28 February 2007: Total expenditure (2)	1 July 2006 to 28 February 2007: Unencumbered balance (3)=(1)-(2)	Projected: 1 March to 30 June 2007: Expenditure (4)	Projected: 1 March to 30 June 2007: Total expenditure including projected (5)=(2)+(4)	Projected: 1 March to 30 June 2007: Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)	Variance (Percentage) (7)=(6)÷(1)	Reasons for variance
III. Operational costs								
General temporary assistance	170	17	153	49	66	104	61	Savings due to higher vacancy rate (50 per cent) than budgeted (0 per cent)
Government-provided personnel	46	22	24	16	38	8	17	Savings due to higher vacancy rate (60 per cent) than budgeted (50 per cent)
Civilian electoral observers	—	—	—	—	—	—	0	
Consultants	3	—	3	3	3	—	0	
Official travel	336	225	111	89	314	22	7	Savings as a result of less travel owing to the fact that some key posts, such as the Special Representative of the Secretary-General and Political Adviser and Assistant to the Special Representative of the Secretary-General, were vacant for a few months of the first half of the fiscal year.
Facilities and infrastructure	2 844	1 780	1 063	1 067	2 848	(4)	0	
Ground transportation	1 555	705	850	854	1 559	(4)	0	
Air transportation	11 314	9 485	1 829	1 688	11 173	141	1	
Naval transportation	—	—	—	—	—	—	0	
Communications	1 181	651	530	498	1 149	32	3	
Information technology	658	625	34	29	653	5	1	
Medical	139	69	70	59	128	11	8	Savings owing to the fact that the cost estimate is based on the highest number of medical cases recorded during the last five years, while the nature of the services provided are not predictable
Special equipment	—	—	—	—	—	—	0	

		1 July 2006 to 28 February 2007		Projected: 1 March to 30 June 2007				
	Apportionment (1)	*Total expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*	*Expenditure (4)*	*Total expenditure including projected (5)=(2)+(4)*	*Estimated unencumbered balance as at 30 June 2007 (6)=(1)-(5)*	*Variance (Percentage) (7)=(6)÷(1)*	*Reasons for variance*
Other supplies, services and equipment	747	373	375	450	823	(76)	-10	Overrun as a result of additional requirements in training fees for dangerous goods and Chase insight finance, and also to unbudgeted requirement for the Office of Internal Oversight Services procurement task force
Quick-impact projects	—	—	—	—	—	—	0	
Total, III	**18 993**	**13 952**	**5 042**	**4 802**	**18 754**	**240**	**1**	
Gross	**42 620**	**27 760**	**14 860**	**12 394**	**40 154**	**2 466**	**6**	

Annex II

MINURSO: summary of proposed changes for the period from 1 July 2007 to 30 June 2008

Office/Section/Unit	*Number of posts*	*Level*	*Description*
I. Executive direction and management			
	+ 1	Field Service	Generator Technician post moved from the Engineering Section in Laayoune to the Tindouf Liaison Office to provide efficiencies in reduced travel time and faster support services
	+ 1		
Component 2			
	- 1	National General Service	Driver post moved from the office of the Force Commander to the Transport Section to allow pooling of drivers for cross-tasking where required
	- 1		
Component 3			
Office of the Chief Administrative Officer			
	+ 1	Field Service	Claims Assistant post moved from the General Service Section to the office of the Chief Administrative Officer to be responsible for the overall mission claims review and processing
	+ 1	National General Service	Administrative Clerk post moved from the General Service Section to the Office of the Chief Administrative Officer to be responsible for the overall mission claims review and processing
	+ 2		
II. Personnel Section			
	+ 1	Field Service	Travel Assistant post moved from the General Service Section to the Personnel Section to improve effectiveness of handling travel in the mission
	+ 1	United Nations Volunteers	United Nations Volunteers Programme Manager to support United Nations Volunteers
	+ 2		

Office/Section/Unit	*Number of posts*	*Level*	*Description*
III. General Service Section			
	- 1	P-4	Chief General Services post downgraded from P-4 to P-3 as an efficiency gain
	+ 1	P-3	
	- 2	Field Service	Travel Assistant post moved from the General Service Section to the Personnel Section to improve effectiveness of handling travel in the Mission; Claims Assistant post moved from the General Service Section to the office of the Chief Administrative Officer to be responsible for the overall Mission claims review and processing
	- 1	National General Service	Administrative Clerk post moved from the General Service Section to the office of the Chief Administrative Officer to be responsible for the overall Mission claims review and processing
	- 3		
IV. Transport Section			
	+ 1	National General Service	Driver post is moved from the office of the Force Commander to the Transport Section to allow pooling of drivers for cross-tasking where required
	+ 1		
V. Engineering Section			
	+ 1	P-3	Geographic Information System Officer to provide the appropriate level of technical expertise and with the ability to develop products in support of Mission operations
	- 2	Field Service	Generator Technician post moved from the Engineering Section in Laayoune to the Tindouf Liaison Office to provide efficiencies in reduced travel time and faster support services; Accommodation Assistant post reclassified from Field Service to national General Service
	+ 3	National General Service	Accommodation Assistant post reclassified from Field Service to national General Service; 2 Facilities Management Assistant posts to provide maintenance services in mission facilities

Office/Section/Unit	*Number of posts*	*Level*	*Description*
	+ 1	United Nations Volunteers	Geographic Information System Assistant to provide support to Geographic Information System Officer
	+ 3		
Total			
International	—		
National	+ 3		
United Nations Volunteers	+ 2		
	5		

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing the United Nations Peacekeeping Force in Cyprus

Financial performance report for the period from 1 July 2005 to 30 June 2006 and proposed budget for the period from 1 July 2007 to 30 June 2008 of the United Nations Peacekeeping Force in Cyprus

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$44,184,300
Expenditure for 2005/06	$43,826,300
Unencumbered balance for 2005/06	$358,000
Appropriation for 2006/07	$44,831,400
Projected expenditure 2006/07[a]	$47,304,800
Estimated overexpenditure for 2006/07[a]	($2,473,400)
Proposal submitted by the Secretary-General for 2007/08	$46,848,000
Recommendation of the Advisory Committee for 2007/08	$46,587,400

[a] Estimates as at 31 March 2007 (see annex I).

I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends approval of the Secretary-General's proposals for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July**

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2007 to 30 June 2008, with the exception of his proposal to transfer funds for after-service health insurance (ASHI) (see. paras. 8 and 25 below).

2. The Advisory Committee's general report on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNFICYP.

3. The documents used by the Advisory Committee in its consideration of the financing of UNFICYP are listed at the end of the present report.

II. Financial performance report for the period from 1 July 2005 to 30 June 2006

4. In its resolution 59/284 B, the General Assembly appropriated an amount of $44,184,300 gross ($42,072,200 net) for the maintenance of the mission for the period from 1 July 2005 to 30 June 2006. That amount included voluntary contributions from the Government of Cyprus in the amount of $14,699,000, equivalent to one third of the net cost of UNFICYP, and $6.5 million from the Government of Greece. An amount of $22,985,300 gross ($20,873,200 net) was assessed on Member States for the maintenance of UNFICYP for that period.

5. The mission's unutilized balance of $358,000 is the net effect of savings and additional requirements under various budget lines. Savings occurred as a result of delayed recruitment of international staff, delays in recruitment for posts vacated by staff who were reassigned to other missions and the decision to suspend recruitment against one Field Service post (administrative assistant to the Chief, Integrated Support Services). The average vacancy rate was 12.2 per cent, compared to the budgeted level of 5 per cent. Other savings related to the acquisition of accommodation equipment, stationery and office supplies, field defence supplies and acquisition of vehicle workshop equipment, after the mission took measures to reprioritize procurement and review the replacement plan in order to accommodate higher actual requirements under military contingent rotation costs, national staff costs and utilities.

6. The overexpenditure is a result of the following: (a) the revision of the national salary scale effective September 2005, representing an increase of 2.1 per cent; (b) the actual average salary step level of incumbents, which was higher than that budgeted; and (c) the appreciation of the Cyprus pound (£C) against the United States dollar, from £C 0.477 to £C 0.474.

7. The comments of the Advisory Committee on individual objects of expenditure can be found in the remarks concerning the proposed budget for the period from 1 July 2007 to 30 June 2008 in the paragraphs below.

8. The Advisory Committee notes that in its resolution 61/264 the General Assembly has requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the General Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $1,791,400, as well as a portion of the unencumbered balance amounting to $32,800 for UNFICYP for the period**

2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.

III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 15 June 2007, a total of $315,341,000 had been assessed on Member States with respect to UNFICYP. Payments received as at 31 December 2006 amounted to $287,883,000, leaving an outstanding balance of $27,458,000. As at 26 March 2007, the cash position of the mission was $5,000,000, and unliquidated obligations from 1 July 2005 to 30 June 2006 amounted to $3,393,000. **After keeping three-months operating reserve (excluding reimbursements to troop-contributing countries) of $5,400,000, the cash deficit would be $400,000. Owing to the projected cash deficit, the reimbursement to troop-contributing countries is not possible at this time. The Advisory Committee expresses its concern about this situation.**

10. The Advisory Committee was also informed that troop cost reimbursement up to 30 April 2006 totalled $5,829,000 while the remaining balance owed as at 31 December 2006 was $7,770,000. With regard to contingent-owned equipment, the Committee was informed that as at 31 December 2006, an amount of $665,000 had been reimbursed, covering the period up to 31 March 2006. The estimated amount owed as at 31 December 2006 was $1,015,000, while unliquidated obligations for the period ending June 2007 currently totalled $955,100. As at 9 March 2007, $1,487,000 had been paid for 280 claims for death and disability compensation since the inception of the mission; unliquidated obligations amounted to $150,000; and no claims remained outstanding.

11. The Advisory Committee was informed that, as at 28 February 2007, the incumbency of UNFICYP for the period from 1 July 2006 to 30 June 2007 was as follows:

	Posts authorized	*Posts encumbered*	*Number of vacant posts*	*Vacancy/delayed deployment rate (percentage)*
Military contingent personnel	860	853	7	0.8
United Nations police	69	67	2	2.9
International staff	41	34	7	15.0
National staff	110	103	7	6.4

12. In a letter dated 5 April 2007 to the Advisory Committee, the Controller provided the updated status of preliminary expenditures for the period from 1 July 2006 to 30 June 2007, as at 31 March 2007 (see annex I). As indicated in the annex and as explained in the letter of the Controller, UNFICYP projects additional unforeseen expenditures during the 2006/07 period in the amount of $2,473,400 gross ($2,741,100 net) in excess of the appropriation approved by the General Assembly, for a total projected expenditure for the period of $47,304,800 gross ($45,754,000 net). The amount of $2,473,400 represents net additional requirements which reflect economy measures in the amount of $848,400 implemented by the mission under operational costs, primarily through the reprioritization of

procurement activities (the deferral of the implementation of a waste disposal project and of the acquisition of generators, accommodation and water purification equipment), reduced requirements owing to the favourable terms and conditions of new catering contracts and to the utilization of funding provided for the Conduct and Discipline Team, whose functions will be assumed by the United Nations Interim Force in Lebanon (UNIFIL) on a regional basis. The letter of the Controller states further that projected additional requirements are primarily attributable to the steep increases in the cost of the rotation of military contingents; accelerated deployment of United Nations police officers and an 11 per cent increase in mission subsistence allowance payable to police officers with effect from 1 October 2006; a revised national staff salary scale effective 1 September 2006; and the appreciation of the Cyprus pound during the period.

13. The Advisory Committee was also informed that the mission's projected overexpenditure will be reported in the context of its 2006/07 budget performance report, at which time an additional appropriation would be sought from the General Assembly to cover any funding shortfall. **The Advisory Committee interposes no objection to the course of action suggested.**

IV. Proposed budget for the period from 1 July 2007 to 30 June 2008

A. Mandate and planned results

14. The mandate of UNFICYP was established by the Security Council in its resolution 186 (1964). By its resolution 1728 (2006), the Council extended the mandate of the mission until 15 June 2007.

15. UNFICYP undertook a thorough review of its staffing requirements, including the number and grade levels of support staff and the possibility of utilizing United Nations Volunteers, pursuant to a request by the General Assembly in paragraph 15 of its resolution 60/270. The budget document indicates that the review was conducted on a section-by-section and post-by-post basis, taking into account the following: (a) the downsizing of the Force from 1,230 to 860 military personnel, which was implemented during the period 2005/06; (b) the increase in the authorized strength of the United Nations police from 35 to 69 officers, with full strength deployment in March 2006; (c) the operational requirements in support of the mission's mandate and functional responsibilities; and (d) job profiles and classified post grade levels of civilian support staff.

16. The mission concluded that, despite its downsizing, the complexity and level of operational activities and the resource requirements in support of the mandate remain constant. In addition, the levels of responsibility of seven Professional staff conformed to the United Nations post grade classification standards. With regard to the Field Service category, the mission is proposing a reduction by two posts, to a total of 16 posts. **The Advisory Committee commends UNFICYP for having undertaken the review of its support component staffing requirements.**

B. Resource requirements

1. Military and civilian police personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
Military contingents	860	860	—
United Nations police	69	69	—

17. The proposed budget for the period 2007/08 for military personnel and United Nations police amounts to $20,050,600, which is an increase of $1,889,000, or 10.4 per cent. The Committee was informed that the increased requirements are mainly due to the increased travel costs resulting from higher commercial flight and charter costs, when compared to the previous letter-of-assist arrangements with troop-contributing countries.

2. Civilian personnel

Category	*Approved 2006/07*	*Proposed 2007/08*	*Variance*
International staff	41	39	2
National staff	110	110	—

18. The proposed budget for the period 2007/08 for civilian personnel amounts to $12,881,900, reflecting an increase of $1,181,400, or 10.1 per cent. The Committee was informed that the increase is primarily a result of the revised salary scale for national staff and the appreciation of the local currency against the United States dollar.

19. The Committee was informed that in line with the proposal by the Secretary-General to establish an initial after-service health insurance-related charge of 8 per cent against net base salary costs on all budget types (see para. 35 (b), A/61/730), the proposed budget for UNFICYP includes provisions for after-service health insurance of $260,600 under common staff costs of international staff. **Pending a decision by the General Assembly, the Committee recommends a reduction of $260,600 under common staff costs of international staff for UNFICYP for the period 2007/08.**

Recommendation on posts

20. **The Advisory Committee recommends acceptance of the proposals by the Secretary-General regarding the establishment, conversion, abolition and redeployment of the international and national posts listed in annex II.**

3. Operational costs

Apportioned 2006/07	*Proposed 2007-2008*	*Variance*
$14 969 300	$13 915 500	$1 053 800

General temporary assistance

21. During the period 2005/06, the apportionment for general temporary assistance of $75,000 was exceeded by $84,700, or 112.9 per cent, resulting in total expenditures of $159,700. Requirements projected for the period 2006/07 are $332,900. In 2007/08, the proposed amount has been decreased to $79,000. The decreased requirement is a result of the abolition of two temporary positions, one P-5 and one national General Service staff, previously approved for the Conduct and Discipline Team. That function is being taken on regionally by UNIFIL.

Official travel (training and non-training)

22. During the period 2005/06, the apportionment for official travel (training and non-training) in the amount of $154,600 was exceeded by $6,400, or 4.1 per cent, resulting in total expenditures of $161,000. The Committee was informed that a number of training courses were regularly provided for in each budget for the mission. While it recognizes that certain training requirements, such as the renewal of certificates or licences do recur, the Committee questions the number of recurrent courses involved. **In order to economize on expenditures for training-related activities, the Advisory Committee recommends that, so far as possible, participants in training courses be given the task of sharing their acquired knowledge with other mission personnel.**

Air transportation

23. Requirements for liability insurance for helicopters in the 2007/08 budget amount to $93,000, an increase of $23,000 (32.9 per cent) over the previous budget period. The Committee was informed that the increase is a result of the provision of insurance for three helicopters, instead of two for the previous period. The mission is currently provided with the following: (a) two helicopters under letters-of-assist (one type H-500 and one type Bell-212); (b) and one helicopter (type H-500) which is made available free-of-charge by a troop-contributing country. Liability insurance for all three helicopters is provided by the Organization at a reduced annual premium of $31,000 per military aircraft, compared to the $35,000 premium included in the 2006/07 budget.

Ground transportation (petrol, oil and lubricants)

24. Requirements for petrol, oil and lubricants in the 2007/08 budget amount to $676,700; this represents a decrease of $199,700 (22.8 per cent) compared to the previous budget period. The Advisory Committee was informed that the variance is a result of reduced fuel consumption based on past experience; that is 966,100 litres as compared to 1,328,600 litres in 2006/07. **The Committee notes the reduction and trusts that, in future, fuel consumption will continue to be estimated at realistic levels.**

V. Conclusion

25. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2005 to 30 June 2006 are indicated in paragraph 19 of the performance report (A/61/724). **The Advisory Committee recommends that the unencumbered balance of $358,000 as well as other income and adjustments in the amount of $1,791,400 for the period ended 30 June 2006 be credited to Member States in a manner to be determined by the General Assembly (see also para. 8 above).**

26. The actions to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2007 to 30 June 2008 are indicated in paragraph 39 of the proposed budget (A/61/774). **Taking into account its observations above, the Advisory Committee recommends that the General Assembly appropriate an amount of $46,587,400 (gross) for the maintenance of UNFICYP for the twelve-month period from 1 July 2007 to 30 June 2008.**

Documentation

- Performance report on the budget of the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2005 to 30 June 2006 (A/61/724)
- Budget for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2007 to 30 June 2008 (A/61/774)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Peacekeeping Force in Cyprus (A/60/785)
- Report of the Advisory Committee on Administrative and Budgetary Questions on estimates in respect of special political missions, good offices and other political initiatives authorized by the General Assembly and/or the Security Council (A/61/640 and Corr.1)
- Report of the Secretary-General on the United Nations operation in Cyprus (S/2006/931)
- General Assembly resolution 60/270 on the financing of the United Nations Peacekeeping Force in Cyprus
- General Assembly resolution 61/264 on liabilities and proposed funding for after-service health insurance benefits
- Security Council resolutions 186 (1964) and 1728 (2006)
- Financial report and audited financial statements for the 12-month period from 1 July 2005 to 30 June 2006 and report of the Board of Auditors on United Nations peacekeeping operations (A/61/5), vol. II (advance version)

Annex I

Current and projected expenditures

(Thousands of United States dollars)

	1 July 2006 to 31 March 2007			*Projected 1 April to 30 June 2007*				
	Apportionment[a]	*Total expenditure*	*Unencumbered balance*	*Expenditure*	*Total expenditure including projected*	*Estimated unencumbered balance as at 30 June 2007*	*Variance (percentage)*	
	(1)	*(2)*	*(3)=(1)-(2)*	*(4)*	*(5)=(2)+(4)*	*(6)=(1)-(5)*	*(7)=(6)÷(1)*	*Reasons for variance*
Military and police personnel								
Military contingents	17 198.6	18 226.2	(1 027.6)	826.8	19 053.0	(1 854.4)	(10.8)	Additional requirements attributable to the increased cost of aircraft services for military personnel rotations. In September 2006, the rotation of the Argentine contingent was undertaken through a commercially chartered flight at a significantly higher cost compared to previous rotations utilizing military aircraft under letter-of-assist, as the Government-provided military aircraft is under complete overhaul. The rotation scheduled for April 2007 will also be undertaken through commercial means.
United Nations police	963.0	909.2	53.8	280.0	1 189.2	(226.2)	(23.5)	Additional requirements attributable to higher than budgeted average deployment of United Nations police officers. The average monthly strength would be 66 police personnel compared to the budgeted strength of 62 officers, with the application of a 10 per cent delayed deployment factor. In addition, the mission subsistence allowance rate increased by 11 per cent effective 1 October 2006.
Subtotal	**18 161.6**	**19 135.4**	**(973.8)**	**1 106.8**	**20 242.2**	**(2 080.6)**	**(11.5)**	

	1 July 2006 to 31 March 2007			Projected 1 April to 30 June 2007				
	Apportionment[a]	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007	Variance (percentage)	Reasons for variance
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)+(4)	(6)=(1)-(5)	(7)=(6)÷(1)	
Civilian personnel								
International staff	5 856.2	4 287.8	1 568.4	1 656.1	5 943.9	(87.7)	(1.5)	Additional requirements for common staff costs due to the separation, retirement, assignment and reassignment of international staff
National staff	5 844.3	4 729.8	1 114.5	1 973.2	6 703.0	(858.7)	(14.7)	Additional requirements owing to an increase by 4.7 per cent in the national staff salary scale effective 1 September 2006 compared to the previous salary scale, combined with the less favourable exchange rate
Subtotal	**11 700.5**	**9 017.6**	**2 682.9**	**3 629.3**	**12 646.9**	**(946.4)**	**(8.1)**	
Operational costs								
General temporary assistance	332.9	123.3	209.6	24.1	147.4	185.5	55.7	Savings attributable to the non-recruitment of personnel for the Conduct and Discipline Team
Official travel	145.1	92.0	53.1	29.4	121.4	23.7	16.3	Savings attributable to the reprioritization of activities to accommodate additional requirements under rotational travel of military contingents
Facilities and infrastructure	7 263.4	5 282.2	1 981.2	1 601.1	6 883.3	380.1	5.2	Savings due to the favourable terms and conditions of new catering contracts implemented in July 2006 and measures taken by the mission to prioritize its procurement activities (deferral of the acquisition of generators, accommodation and water purification) to cover additional requirements for the rotation of troops. Savings would be partially offset by additional requirements resulting from the higher cost of cleaning contracts implemented in July 2006 and increased electricity costs.

	1 July 2006 to 31 March 2007			Projected 1 April to 30 June 2007				
	Apportionment[a]	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007	Variance (percentage)	
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)+(4)	(6)=(1)-(5)	(7)=(6)÷(1)	Reasons for variance
Ground transportation	3 240.9	2 964.0	276.9	185.8	3 149.8	91.1	2.8	Savings attributable to lower actual fuel costs and lower insurance premium rates than budgeted
Air transportation	1 567.2	970.0	597.2	587.6	1 557.6	9.6	0.6	Savings due to the lower actual liability insurance premium rates
Communi-cations	916.6	759.7	156.9	114.8	874.4	42.2	4.6	Savings attributable to the in-house maintenance of equipment whenever possible as opposed to commercially provided maintenance
Information technology	579.6	518.2	61.4	4.0	522.2	57.4	9.9	Savings realized from the non-procurement of equipment planned for the Conduct and Discipline Team
Medical	282.4	156.2	126.2	86.2	242.4	40.0	14.1	Savings attributable to reduced projected requirements for medical supplies
Special equipment	209.9	3.1	206.8	187.9	191.0	18.9	9.0	Savings attributable to the non-procurement of budgeted rangefinder monoculars as surplus units were transferred from another mission. Additionally, binoculars and night observation devices were procured at a lower unit cost than budgeted for. Projected savings would be partially offset by the higher actual cost of closed-circuit television (CCTV) cameras
Other supplies, services and equipment	431.3	334.9	96.4	391.4	726.0	(294.7)	(68.3)	Additional requirements for the mission's share of the cost of maintaining the Procurement Task Force of the Office of Internal Oversight Services
Subtotal	**14 969.3**	**11 203.7**	**3 765.6**	**3 211.9**	**14 415.6**	**553.7**	**3.7**	
Gross requirements	**44 831.4**	**39 356.7**	**5 474.7**	**7 948.0**	**47 304.8**	**(2 473.4)**	**(5.5)**	

	1 July 2006 to 31 March 2007			Projected 1 April to 30 June 2007				
	Apportionment[a]	Total expenditure	Unencumbered balance	Expenditure	Total expenditure including projected	Estimated unencumbered balance as at 30 June 2007	Variance (percentage)	
	(1)	(2)	(3)=(1)-(2)	(4)	(5)=(2)+(4)	(6)=(1)-(5)	(7)=(6)÷(1)	Reasons for variance
Staff assessment income	1 818.5	996.6	821.9	554.2	1 550.8	267.7	14.7	
Net requirements	**43 012.9**	**38 360.1**	**4 652.8**	**7 393.8**	**45 754.0**	**(2 741.1)**	**(6.4)**	
Voluntary contributions in kind (budgeted)	1 439.0	—	1 439.0	—	—	1 439.0	—	
Total requirements	**46 270.4**	**39 356.7**	**6 913.7**	**7 948.0**	**47 304.8**	**(1 034.4)**	**(102.2)**	

[a] See General Assembly resolution 60/270.

Annex II

Summary of proposed changes

Office Section Unit	*Number*	*Level*	*Description*
Component 1			
Civil Affairs Branch	+1	LL	Additional Civil Affairs Sector Civil Affairs Team Liaison Assistant
Component 4			
General Service	-1	FS	Conversion of Property Management Officer post from Field
	+1	LL	Service to national General Service category
	-1	LL	Abolishment of one post (secretary)
Integrated Support Services	-1	FS	Conversion of Chief Transport Officer post from Field Service
	+1	LL	to national General Service category
	-2	LL	Abolishment of two posts (secretary and stores worker)
Procurement	-1	LL	Redeployment of one national General Service post from Procurement to Finance Section
Finance	+1	LL	Redeployment of one General Service post from Procurement to Finance Section
Conduct and Discipline Team	-1	P-5	Abolishment of positions for Conduct and Discipline Team
	-1	LL	Abolishment of positions for Conduct and Discipline Team
Total			
International	-3		
National	-1		
United Nations Volunteers	—		

Abbreviations: LL = Local level; FS = Field Service.

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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Mission in Sierra Leone

Performance report for the period from 1 July 2005 to 30 June 2006 and financing of the United Nations Mission in Sierra Leone

Report of the Advisory Committee on Administrative and Budgetary Questions

Appropriation for 2005/06	$107,539,300
Expenditure for 2005/06	$86,137,300
Unencumbered balance	$21,402,000

I. Introduction

1. The general report of the Advisory Committee on Administrative and Budgetary Questions on the administrative and budgetary aspects of the financing of United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. In the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Mission in Sierra Leone (UNAMSIL).

2. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

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II. Financial performance report for the period from 1 July 2005 to 30 June 2006

Mandate and results

3. On the recommendation of the Advisory Committee contained in its report on UNAMSIL (A/59/736/Add.9) to the General Assembly at its fifty-ninth session, the Assembly, by its resolution 59/14 B, appropriated an amount of $89,606,400 for the maintenance of the Mission for the period from 1 July to 31 December 2005 and an amount of $17,932,900 for the liquidation of the Mission for the period from 1 January to 30 June 2006. These amounts have been assessed on Member States.

4. The mandate of UNAMSIL was established by the Security Council in its resolution 1270 (1999) to help the Council to achieve an overall objective, namely, to consolidate peace and stability in Sierra Leone. By its resolution 1610 (2005), the Council extended the mandate of UNAMSIL for a final period of six months until 31 December 2005. Subsequently, in its resolution 1620 (2005), the Council established the United Nations Integrated Office in Sierra Leone (UNIOSIL) with effect from 1 January 2006.

5. Upon enquiry, the Advisory Committee was informed that the final closure of UNAMSIL accounts should take place in the year 2009, at which time the final performance report would be prepared for consideration by the Committee. **The Committee recommends that unencumbered balances be credited to Member States and urges the Secretariat to expedite the preparation of the final performance report on the budget of UNAMSIL for consideration by the Committee as soon as possible.**

6. The Advisory Committee notes that, in its resolution 61/264, the General Assembly requested the Secretary-General to submit a detailed report on after-service health insurance at its sixty-third session. **Pending a decision by the Assembly, the Committee recommends that the full amount of other income and adjustments amounting to $120,117,600, as well as a portion of the unencumbered balance amounting to $21,402,000 for UNAMSIL for the period 2005/06, which had been proposed for meeting after-service health insurance liabilities, be credited to Member States.**

Information on financial performance

7. The Advisory Committee was informed that, as at 31 December 2006, a total of $2,783,086,900 had been assessed on Member States in respect of UNAMSIL since its inception. Payments received as at the same date amounted to $2,814,401,900, leaving a balance of $31,315,000. Upon further enquiry, the Committee was informed that the total amount received exceeded the total amount assessed owing to the return to Member States of their respective share of the unencumbered balance and other income totalling $99,287,600 in respect of the financial period ended 30 June 2005. As at 2 April 2007, the cash position of the Mission was $180,700,000. The Committee was also informed that troop cost reimbursement payments made during 2006 amounted to $15,321,900; there was no outstanding balance. With regard to contingent-owned equipment, the Committee was informed that the estimated amount owed as at 31 December 2006 was

$514,000 for claims certified up to December 2005, while unliquidated obligations from 1 July 2005 to 30 June 2006 totalled $2,322,215. As at 31 December 2006, $255,500 had been paid for seven claims for death and disability compensation since the inception of the Mission; there were no unliquidated obligations, and 30 claims remained outstanding. **The Advisory Committee trusts that all outstanding death and disability claims will be settled expeditiously.**

Utilization of resources

8. Expenditures for the period from 1 July 2005 to 30 June 2006 totalled $86,137,300 gross ($83,208,400 net), which is $21,402,000, or 19.9 per cent, lower than the appropriation of $107,539,300 (see A/61/682, sect. III.A). The budget provided for the deployment of 141 military observers, 3,250 military contingents, 78 United Nations police, 260 international staff, 474 national staff and 96 United Nations Volunteers.

9. The Mission's unutilized balance of $21,402,000 is the net effect of savings and additional requirements under various budget lines. Savings for military and police personnel were mainly attributable to lower requirements for personnel resulting from a faster-than-planned drawdown, the reimbursement to troop-contributing countries for contingent-owned equipment based on actual verified major equipment being lower than anticipated and the combined shipment of the equipment of three contingents. Savings under staff salaries, staff assessment and mission subsistence allowance for international and national staff were a result of actual vacancy rates of international staff of 17.3 per cent, compared to a budgeted 15 per cent, of national staff of 17 per cent, compared to 5 per cent, and of United Nations Volunteers of 8.9 per cent, compared to a zero budgeted vacancy rate. Savings for operational costs related primarily to general temporary assistance after an unsuccessful search to fill two conduct and discipline positions due to the very short-term nature of the positions; facilities and infrastructure and ground transportation, as a result of a cost-sharing agreement between UNAMSIL and UNIOSIL; air transportation, due to earlier withdrawal of the aircraft than had been provided for; and communications in connection with the drawdown. Partially offsetting these savings were higher expenditures for a number of budget lines, including the cost of rations for military personnel, as well as unbudgeted payments for residential security for United Nations Volunteers. Higher expenditures were also incurred under ground transportation for the acquisition of car-log/fuel-log systems for vehicles and for the purchase of avian flu prophylaxis.

III. Financing of the United Nations Mission in Sierra Leone

10. In its resolution 59/14 B, the General Assembly approved the proposed donation of assets to the Government of Sierra Leone based on a preliminary disposition of assets plan set out in the report of the Secretary-General (A/59/759). The report also indicated that a report on the final disposition of UNAMSIL assets would be submitted to the Assembly at its sixty-first session. The report of the Secretary-General on financing of the United Nations Mission in Sierra Leone (A/61/819) indicates that the process of liquidating the Mission's assets was guided by principles and policies contained in United Nations financial regulation 5.14.

The Advisory Committee notes that the report (A/61/819) submitted by the Secretary-General is not a final report, but a progress report about disposition of assets, as the disposition of 42 items has yet to be completed.

Progress report on the final disposition of assets

11. The report of the Secretary-General also provides a summary of the disposition of assets (see A/61/819, table 1). Details of the sale of assets of UNAMSIL are incorporated in table 2 of the report.

12. The salient features of the disposition of assets are:

(a) The Mission's assets with a total inventory value of $61,622,700, were disposed of as of 30 June 2006;

(b) A total of 3,328 assets with a total inventory value of $8,333,600 and a corresponding residual value of $3,035,800 were actually donated to the Government of Sierra Leone;

(c) UNAMSIL assets with a total inventory value of $21,446,400 have been transferred to UNIOSIL, with action on their disposition, including any further donation to the Government of Sierra Leone, to be taken upon completion of the mandate of UNIOSIL;

(d) Assets with an inventory value of $12,688,500 and a corresponding residual value of $4,559,600 were sold to United Nations agencies, international organizations and non-governmental organizations, as well as to private companies and individuals on the basis of competitive bidding;

(e) The inventory value of assets totalling $2,997,900 and representing 4.9 per cent of the total assets inventory value and a corresponding residual value of $1,204,900, have been written off as a result of accidents, damage caused by natural elements, obsolescence, normal wear and tear, and because they were being uneconomical to repair.

13. Assets to be transferred to other missions or to be temporarily stored at the United Nations Logistics Base at Brindisi amounted to $37,602,700. The Advisory Committee notes that action on their disposition, including any further donation to the Government of Sierra Leone, is to be taken upon completion of the mandate of UNIOSIL.

IV. Conclusions

14. The action to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2005 to 30 June 2006 is indicated in paragraph 26 of the performance report (A/61/682). **The Advisory Committee recommends that the unencumbered balance of $120,117,600 as well as other income/adjustments in the amount of $21,402,000 for the period ended 30 June 2006, be credited to Member States in a manner to be determined by the General Assembly (see also para. 8 above).**

15. The action to be taken by the General Assembly at its sixty-first session in connection with the financing of UNAMSIL is indicated in paragraph 13 of the Secretary-General's report (A/61/819). **The Advisory Committee recommends that the General Assembly take note of the progress report on the disposition of assets of UNAMSIL.**

Documentation

- Financing of the United Nations Mission in Sierra Leone (A/61/819)
- Performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2005 to 30 June 2006 (A/61/682)
- Proposed donation of assets to the Government of Sierra Leone (A/59/759)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget for the period from 1 July 2005 to 30 June 2006 and financial performance report for the period from 1 July 2003 to 30 June 2004 of the United Nations Operation in Sierra Leone (A/59/736/Add.9)
- General Assembly resolutions 61/264, 60/279 and 59/14 B
- Security Council resolutions 1620 (2005), 1610 (2005), 1562 (2004), 1537 (2004) and 1270 (1999)